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In the Supreme Court of the United States

OCTOBER TERM, 1956.

No. 275

VANITY FAIR MILLS, INC.,
Petitioner,

v.

THE T. EATON CO. LIMITED,
Respondent.

PETITION FOR WRIT OF CERTIORARI
To the United States Court of Appeals
For the Second Circuit.

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* See separately printed appendix for full quotation of relevant sections.

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OCTOBER TERM, 1956.

No. _____

VANITY FAIR MILLS, INC.,

Petitioner,

v.

THE T. EATON CO. LIMITED,

Respondent.

PETITION FOR WRIT OF CERTIORARI
To the United States Court of Appeals
For the Second Circuit.

Petitioner prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit, entered in the above-entitled case on June 1, 1956.

CITATIONS TO OPINIONS BELOW.

The opinion of the District Court (R. 612a-626a) is reported in 133 F. Supp. 522.

The opinion of the Court of Appeals for the Second Circuit (R. 668a) printed at page 1 *et seq.* of the separate Appendix A hereto, has not yet been officially reported. It has, however, appeared in 109 United States Patents Quarterly, page 438.

As the only issues in the case were matters of law fully dealt with by the Court of Appeals in its opinion, there was nothing upon which to premise any motion for rehearing, so petitioner permitted the 15-day period, provided by the Court of Appeals' Rules for making such a motion, to expire June 16, 1956.

JURISDICTION.

The judgment of the Court of Appeals for the Second Circuit was entered on June 1, 1956 (R. 693a); p. 26, Appendix A.

The jurisdiction of this Court is invoked under 15 U. S. C., Section 1122, and 28 U. S. C. Section 1254 (1).

QUESTIONS PRESENTED.[1]

1. To what extent can a United States District Court, having *in personam* jurisdiction over the Canadian Respondents herein, by virtue of their carrying on a regular and continuous course of business, using citizens of both countries in their long established and extensive New York office, under the Treaty[2] and the United States trade mark statutes,[3] enforce Petitioner's trade mark rights against such Canadian Respondents in a situation involving a continuous course of action by such Respondents, such course of action including acts initiated within the physical jurisdiction of the District Court, and consummated both in Canada and in the United States, in part by the use of the United States mails, and with adverse effect upon Petitioner's own export trade to Canada? *Steele v. Bulova,* 344 U. S. 280.

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[1] Counsel for Petitioner is well aware of the desirability of a very short Petition; but the 27 page opinion below has raised so many Constitutional, Treaty and Statutory questions that we deem it due the Court to **raise all these interlocking issues so that they can be argued on final hearing, if the Court deems it necessary.**

[2] We refer to the International Union for the Protection of Industrial Property (1883) **signed by the United States in 1887** as the "Treaty" to shorten this brief.

[3] The Lanham Trade Mark Act of 1946 (15 U. S. C. § 1051 *et seq.*) and the Trade Mark Act of 1905 (§ 27) (15 U. S. C. § 106).

2. Does the Lanham Act, § 44, based upon the Commerce Clause of our Constitution and the Treaty, and seeking to place United States citizens on an equal footing with foreign citizens, **have any extraterritorial application** to prevent interference with the export trade of American citizens, which interference was initiated in the United States and consummated in both the United States and Canada?

3. Do the Treaty, as a part of the United States law, and the Trade Mark Laws of the United States protect Petitioner when it was (1) the first to adopt its mark in the United States, (2) the first to register it in the United States, and (3) the first to make it known in Canada by advertising, thereby acquiring an export status into Canada guaranteed by the Treaty and our Trade Mark Laws against interference from a later Canadian trade mark registration, and recognized by Canada in the Trade Mark Act of 1952-53 § 16 as giving the same status internally in Canada as if a trade mark registration had been made in Canada as compared to the later Canadian registration of Respondents which is being used to prevent the export of Petitioner's trade marked merchandise guaranteed by the Treaty as part of the law of the United States? *Bacardi v. Domenech,* 311 U. S. 150.

4. Is the Court below correct when it says:

> "* * * If plaintiff has any rights under the International Convention (other than through § 44 of the Lanham Act, discussed below), they are derived from this Canadian Law, and not from the fact that the International Convention may be a self-executing Treaty which is a part of the law of this county."? (Opn. p. 1555.)

5. Can the jurisdiction of a United States Court be defeated in this action under the Treaty, the 1946 Lan-

ham Act, §§ 32, 44 and 45, and the 1905 Trade Mark Act, § 27, for trade mark infringement and interference in the United States and Canada with trade mark and trade name rights of Respondents, initiated in the United States, carried out in Canada and consummated in the United States, **because the Canadian Respondents elected to register a Canadian trade mark, later abandoned, on the same name, later in date than the dates of adoption and registration in the United States and later than "making known" in Canada by Petitioner,** and by this later Canadian registration defeat the right to sue in the United States when *in personam* jurisdiction is had here?

6. Does jurisdiction in this case under the 1905 Trade Mark Act, the Lanham Act and the Treaty depend upon the place of initiating the fraud, trade mark infringement and unfair competition, or is it correct to hold, as the Court did below, that jurisdiction only exists where the Acts are consummated, i.e., in Canada?

7. Should the doctrine of *forum non conveniens* be applied for the **convenience** of a foreign national to try his case in Canada under Canadian Law instead of in the United States under United States Law in a district in which the Respondents have found it convenient to have an office in the United States manned by United States and Canadian citizens for fifty years so that the District Court had *in personam* jurisdiction; that is, must the right of a United States citizen to sue under the United States Law in its home country in the district where Respondents are found, yield to the **convenience** of the Respondents so that Petitioner must, in effect, abandon its rights under United States Law and be forced to rely upon Canadian Law? *Gulf Oil v. Gilbert*, 330 U. S. 501; *Massie v. Watts*, 6 Cranch 148; *Phelps v. McDonald*, 99 U. S. 298, 308.

8. Does a United States citizen have a right to sue, in a United States Court, a foreign national doing business within the district to such extent as to afford a basis for the Court's acquiring *in personam* jurisdiction over such foreign national, on a cause of action arising out of such business done in the Court's district, so that the United States citizen may not be defeated in the United States District Court by a plea of *forum non conveniens*, and forced to sue in the courts of the country of the foreign national? (Cf. *International Shoe v. Washington*, 326 U. S. 310).

9. Should the United States District Court have entertained jurisdiction under the facts of this case to decide the issue as between the parties, irrespective of the source of the law applicable to such facts?

10. Have Respondents made such showing of inconvenience, over Petitioner's showing of convenience in maintaining the present suit in the Southern District of New York, as to meet the requirement of this Court expressed in *Gulf Oil Corp. v. Gilbert*, 330 U. S. 501, 508, and to justify the application of the doctrine of *forum non conveniens* on the facts of the present case?

TREATY AND STATUTES INVOLVED.

This case arose under the International Convention for the Protection of Industrial Property (Paris Union 1883) 53 Stat. 1748, as revised 1934, T. S. No. 94, Articles 2; 4 A (1) (2); 4 B; 6; 6 *bis.*; 7; 8; 9; 10; 10 *bis.* and 10 *ter.* (1); and the Lanham Act, Sections 32, 33, 34, 35, 36, 37, 39, 40, 42, 43, 44 and 45; and the Trade Mark Act of 1905, Section 27; and Sections 1331, 1332 and 1338 of the Judicial Code (Title 28, U. S. C.).[1]

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[1] These Treaty and Statutory provisions are set forth in Appendix B of the separately printed Appendix to this petition.

STATEMENT.

Respondents moved to dismiss an amended complaint filed March 8, 1955 (R. 104a-157a) in the District Court under Rule 12 (b) F. R. C. P. on four grounds: (1) Lack of jurisdiction over the subject matter of the controversy; (2) Lack of jurisdiction over the person of The T. Eaton Co. Ltd.; (3) Lack of jurisdiction over the person of John David Eaton; and (4) The Court was not a convenient forum. (R. 166-7a; 286a; 287a; 573a). Items (1) and (4) were sustained; Item (3) was deferred; Item (2), denied.

The issues arose under the following averred facts, which constitute **one continuous plan** of Respondents in the United States and Canada and back to the United States to commit acts of trade mark infringement, unfair competition and trade name appropriation:

Petitioner adopted the "Vanity Fair" trade mark on feminine underwear in the United States in 1914 (R. 106a) and registered it in the United States starting in 1917 (R. 108a-111a, 140a-145a). It adopted "Vanity Fair" as its trade name in 1919 (R. 107a) and "made known" the trade mark and trade name in advertising in Canada in 1917 and continuously since then (R. 106a).

Respondents have a buying office fifty years old in New York City, manned by thirty-one United States citizens, one of whom heads the office under the direction of the Canadian home office (R. 11a-19a). Respondent's [1] Canadian executives and buyers visit this office continuously in large number and direct its operations. These Canadan buyers are constantly in the office buying American trade-marked merchandise and shipping it to Canada, doing millions of dollars of business annually (R. 11a-

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[1] Where the term "Respondent" (singular) is used herein, petitioner refers to the corporate respondent, The T. Eaton Co., Limited.

30a). Respondent's President, John David Eaton, took the lease in New York City in his own name and permitted his corporation to occupy the space (R. 113a, 11a, 12a, 100a-103a). **In this office Respondents started buying Petitioner's feminine underwear under the trade mark "Vanity Fair" and the trade name "Vanity Fair," which buying continued for a period of six years, and exported it to Canada (R. 112a-114a, 37a-93a, 542a-543a).**

Respondent imported into Canada the trade-marked underwear of Petitioner for resale through its chain of stores and in its direct mail operations (R. 112a-114a). It advertised in the newspapers of Canada that the Petitioner's feminine underwear was the genuine underwear of Petitioner's manufacture under Petitioner's trade mark "Vanity Fair" (R. 114a, 146a-151a). By 1953 Respondent had become known in Canada as the place to buy Petitioner's genuine underwear (R. 114a).

Near the end of this period of purchase Respondent began substituting its own cheaper underwear under the trade mark "Vanity Fair," advertising in the Fall of 1953 such underwear as the "new" trade mark "Vanity Fair" goods of Respondent (R. 115a, 152a-157a). **At no time during this period of purchasing from Petitioner in New York City and reshipping to and reselling in Canada, did Respondent claim a trade mark registration on "Vanity Fair"** (R. 118a). However, in 1954 after Respondent had started selling its own "Vanity Fair" underwear, and Petitioner had protested the same, when Petitioner shipped its "Vanity Fair" underwear to another Canadian customer, The Robert Simpson Company Limited, Respondent charged infringement of an abandoned trade mark on "Vanity Fair" in Canada (R. 188a). This trade mark was not registered in Canada by Respondent on **feminine underwear** until December, 1933. This was accomplished

by extending a 1915 trade mark registration **on outerwear** in 1933 (R. 121a, 183a-185a). Petitioner, however, had been "making known" this trade mark for feminine underwear by advertising in Canada beginning in 1917, sixteen years before Respondent **changed its outerwear registration to add feminine underwear to its outerwear registration on "Vanity Fair"** (R. 106a). Respondent's trade mark "Vanity Fair" was abandoned over a long period (R. 121a), as to the length of which there is a conflict between the parties, but the **Court below observed that it was abandoned from 1945 to 1953, at which latter time the substitution and infringement by Respondents began** (Op. p. 1549).

Petitioner, therefore, adopted its trade mark in the United States in 1914, registered it in 1917 and "made it known" in Canada in 1917 and continuously thereafter, in compliance with the Treaty. **These three steps were before any comparable steps were taken by Respondent so that under the terms of the Treaty, Article 6, Petitioner had a right to export into Canada without interference.** Respondents raised no issue on this matter when they were importing until Petitioner exported to Respondent's competitor. On this factual situation, as pleaded, are premised the questions presented. *In personam* jurisdiction was secured by service upon both the corporation, through its New York office, and, under the New York Statutes, upon John David Eaton, its President, in whose name the lease was taken for the space occupied by the corporate New York office. There is no material dispute as to facts. The facts as pleaded will be taken as true. *U. S. vs. New Wrinkle,* 342 U. S. 371, 376.

REASONS FOR THE WRIT.

1. **Conflicts of Decisions.** The decision below conflicts with principles laid down by authorities decided by this Court on three basic points:

(a) **Jurisdiction over the Respondents and the subject matter of United States trade mark infringement, unfair competition and trade name appropriation** in both the United States and Canada, under the Commerce Clause of the Constitution, the Treaty, the Trade Mark Act of 1946 §§ 32, 44 and 45 and the Trade Mark Act of 1905 § 27.

(b) **Determination of the scope of extra-territorial protection** of the intercountry commerce between the United States and Canada under the Commerce Clause of the Constitution, the United States trade mark registrations under the 1905 Act § 27, the Lanham Act §§ 32, 44 and 45 and the Treaty, by which protection is provided for trade mark exports **when** the exporter is the first to adopt, the first to register in his home country and the first to "make known" in Canada, giving prior status over Respondents' later trade mark registration in Canada; and the enforcement of these laws to restrain interference with our trade-marked exports and to dispose of unfair competition and trade mark and trade name appropriation.

(c) The extension of the doctrine of *forum non-conveniens* into the international field, by expanding that doctrine to make the **convenience of a foreigner,** who had found it convenient for fifty years to do business in the jurisdiction of the Court, **superior to the right of a United States citizen to have his case tried under United States Law in the United States Court** within whose physical jurisdiction, the acts complained of were initiated by using American and Canadian citizens there, and which acts of interference were consummated partly in Canada, under a

later Canadian trade mark registration, and partly in the United States by shipping infringing trade-marked goods of the Respondents into the United States.[1] All these are averred as a continuous series of acts of infringement and unfair competition.

In each instance the decision below is in conflict with this Court's decisions indicated in the footnote below;[2] in conflict with the Court of Appeals' own decisions;[3] and in conflict with decisions in other Circuits.[4]

2. **Novel Questions Are Presented.** The Court below stated that novel questions are presented involving the interpretation of the International Convention Treaty, the Lanham Act and the Commerce Clause of the Constitution.[5]

3. **Necessity for Treating Events as a Unified Plan and Course of Action. The unity and continuity of the whole course of conduct** in the United States, Canada and back into the United States is the governing factor. We so plead it. For that reason, we cannot try this case on the partial basis set by the Courts below, **for that issue of**

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[1] Respondents say these later acts were few, but how many we do not know. **Every time we placed an order from the United States, it was filled by Respondents** in consummation of its scheme to appropriate "Vanity Fair" in Canada and the United States, as well as to stop exports to Canada (R. 486a-488a, 515a-533a.)

[2] See *infra* pages 11-21, 26-28.

[3] See *infra* pages 11, 22.

[4] See *infra* page 22.

[5] "This case presents **interesting and novel questions** concerning the **extraterritorial** application of the Lanham Act, 15 U. S. C. § 1051 *et seq.* (1952), and the International Convention for the Protection of Industrial Property (Paris Union), 53 Stat. 1748 (1883, as revised 1934) T. S. 841." (Opn. P. 1546.) (Emphasis ours.) (Court of Appeals error—this should be 1946, not 1952. It was the Canadian Act that was enacted in 1952.)

export by Respondents into the United States is but a fragment of the whole illegal scheme. You do not determine such matters "by atomizing the enterprise into minute parts or events." *U. S. vs. Scophony Corp., et al.*, 333 U. S. 795, 817 (1948).

4. **Power to Entertain Jurisdiction and to Require Respondents to Perform Acts Outside Court's Jurisdiction.** Mr. Chief Justice Marshall found such power in the Federal Court in 1810 saying:

> "The jurisdiction of a court of chancery is sustainable wherever the person be found, although lands not within the jurisdiction of that Court may be affected by the decree." (*Massie vs. Watts*, 6 Cranch 148).

The fact that a decree for the relief sought by Petitioner may affect Respondents' business activities complained of in Canada, outside the lower Court's physical jurisdiction, is not ground to dismiss for lack of jurisdiction. This Court has, in effect, so decided in *Travelers Health Assn. et al. v. Virginia et al.*, 339 U. S. 643, 650, so that the decision below is in conflict with the authority of the latter case, as well as that of *Steele vs. Bulova*, 344 U. S. 280.

The Court below ignored its own decision in *United States vs. Aluminum Co. of America*, 148 F. 2d 416, 443-444 (C. C. A. 2, 1945) in which the Court below said:

> "* * * any state may impose liabilities, even upon persons not within its allegiance, for conduct outside its borders that has consequences within its borders which the state will ordinarily recognize * * *."

The Court's decision below is contra this Court's decisions in *International Shoe Co. vs. Washington*, 326 U. S. 310, 317, 318, holding that:

> " 'Presence' in the state in this sense has never been doubted when the activities of the corporation there have not only been continuous and systematic, but also give rise to the liabilities sued on, even though no consent to be sued or authorization to an agent to accept service of process has been given." (p. 317.)

Here Respondents have had a large permanent office in New York City for fifty years, doing millions of dollars worth of business each year (R. 17a). To say, as do Respondents, that they are not in the jurisdiction and cannot be held to account in the Southern District of New York for their acts both in the latter district and the consequences of their acts in Canada, which gave rise to this litigation, is to do injustice to common sense, as well as to argue contrary to the principles laid down in many decisions of this Court. *Polizzi v. Cowles Magazines,* 345 U. S. 663.

5. **Consequences of Strict Territorial Application of United States Laws.** The principles of the decision below would deny the right of the Government of the United States and individual citizens the benefit of the rule laid down by this Court that there is jurisdiction to deal with non-residents under such circumstances. *U. S. v. Scophony,* 333 U. S. 795 (1948); *Steele v. Bulova,* 344 U. S. 280 (1952); *United States v. Sisal Sales Corp.*, 274 U. S. 268 (1927); *Thomson v. Cayser,* 243 U. S. 66 (1917); *U. S. v. Pac. & Arctic Ry. & Nav. Co.*, 228 U. S. 87 (1913).[1]

If the instant decision stands, it will materially impair the freedom of a vital portion of our international trade.

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[1] **The decision of the District Court in the present case has been discussed in this very connection in the recent note in the Harvard Law Review entitled** "*Extraterritorial Application of the Anti-Trust Laws,* 69 Harv. L. Rev. pages 1452, 1456, n. 36 (June, 1956).

The United States, in the enforcement of the Antitrust Laws involving international trade under the Sherman Act, the Clayton Act and § 73 of the Wilson Tariff Act will be handicapped gravely in controlling international cartels and in dealing with international patent and trade mark cross-license agreements, where *in personam* jurisdiction can be acquired. (*U. S. vs. Scophony,* 333 U. S. 795 (1948).) In all such cases this Court approved the assumption of jurisdiction where the District Court's orders affected foreign nationals, and regulated their international business in the United States and foreign countries wherever these courses of conduct were contrary to the laws of the United States. In each case, foreign laws and rights differed from ours, but, until the instant case, no such ground has been approved for denying protection to United States plaintiffs where the foreign defendants were actively engaged in business in the United States to give appropriate *in personam* jurisdiction. The enforcement of such laws as § 73, Wilson Tariff Act, Webb Pomerene Act, Patent Act of 1952, Customs Laws and the Trade Mark Laws of 1905 and 1946 will be materially handicapped.

6. **The Treaty as a Source of Law.** The Treaty is United States Law. *Bacardi v. Domenech,* 311 U. S. 150. As such, Petitioner may rely upon it to stop unfair competition, conspiracy to restrain international trade and trade mark infringement of "appellees anywhere outside the United States." *Steele v. Bulova,* 344 U. S. 280 (1952).

7. **Liability of Foreign Nationals Present in the United States to Abide by our Laws and Applicability of Steele v. Bulova to such Nationals.** The Court below decided that this Court's decision in *Steele vs. Bulova,* 344 U. S. 280 **does not apply to the present case because the Respondents are aliens;** that **there is no jurisdiction over aliens** in

this country in respect of their acts consummated outside of the United States. It is thus held that such acts can only be reviewed in Canada under Canadian Law, even though they were part of a complete scheme and course of action initiated here, consummated partly in Canada and partly in the United States. Foreigners who come into our jurisdiction to do business subject themselves to our laws. *U. S. vs. Scophony,* 333 U. S. 795 (1948); *Cunard Steam Ship Co. v. Mellon,* 262 U. S. 100, 124 (1923); *U. S. v. Diekelman,* 92 U. S. 520, 525 (1875). This rule that aliens like Respondents must conform to our laws was stated by this Court in *Carlisle vs. U. S.,* 16 Wall. 147 (1872):

> "* * * The alien, whilst domiciled in the country, owes a local and temporary allegiance, which continues during the period of his residence.
>
> "This obligation of temporary allegiance by an alien resident in a friendly country is everywhere recognized by publicists and statesmen." (p. 154).

See also *Radich v. Hutchins,* 95 U. S. 210 (1877); and Mr. Chief Justice Fuller held in *Barrington v. Missouri,* 205 U. S. 483 (1907):

> "The question of citizenship is immaterial as affecting the jurisdiction of this Court under § 709, Rev. Stat. French v. Hopkins, 124 U. S. 524. Nor are we aware, as Chief Justice Waite said in Spies v. Illinois, 123 U. S. 131, 182, of any treaty giving to subjects of Great Britain any different measure of justice than secured to citizens of this country. And the general rule of law is that aliens are subject to the law of the territory where the crime is committed * * *."

8. **American Citizens Were Respondents' Agents in the United States.** The fact that Respondents themselves are not citizens should make no difference in the application of *Steele v. Bulova,* 344 U. S. 280 (1952), for they used American citizens, in cooperation with Canadian citi-

zens, as the instrumentalities for consummation of the offenses charged within the physical jurisdiction of the District Court.

9. **Failure of Court of Appeals to Give Full Effect to Lanham Act.**

(a) **Refusal of Court to Follow Express Language of Act in Determining its Effect.** The Court of Appeals admitted that:

> "* * * it may well be that Congress could constitutionally provide infringement remedies so long as the defendant's use of the mark has a *substantial* effect on the foreign or interstate commerce of the United States." (Op. pp. 1556-57),

but it refused to find that Congress intended to assert its full power in respect of infringements where the acts complained of were committed by a foreign national in his home country under a presumably valid trade mark registration in that country (Op. p. 1557).

This refusal defies the express language of the Lanham Act which defines commerce as "all commerce which may lawfully be regulated by Congress" (15 U. S. C. § 1127). With this definition, the only inquiry is **whether Congress has the power lawfully to regulate the Respondents' commerce here complained of.**

(b) **Broad Scope of Congressional Power Under Commerce Clause of the Constitution.** Certainly Congress may deal with the initial acts of Respondents in buying in this country and exporting abroad. *U. S. v. Curtiss-Wright Corp.*, 299 U. S. 304 (1936). Congress may also regulate the use of the mails through which the corporate Respondent's advertisements of Petitioner's products, and later Respondent's products came into this country in substantial numbers by mail; further, through these same mails

arrived specific goods bearing the infringing marks (R. 486a-488a, 515a-533a). *Ex parte Jackson,* 96 U. S. 727 (1877); *Rosen vs. U. S.,* 245 U. S. 467 (1917); *Electric Bond Co. v. S. E. C.,* 303 U. S. 419, 442 (1938). Since these alien Respondents have seen fit to come into this country and establish what is, in effect, a permanent commercial domicile here, they owe a temporary allegiance to the United States, thereby giving Congress power to legislate concerning them. *Carlisle v. U. S.,* 16 Wall. 147 (1872); *Radich v. Hutchins,* 95 U. S. 210 (1877). Moreover, Congress may prescribe terms and conditions under which Respondents, as aliens, may enter and remain in the United States. *Lee Moon Sing v. U. S.,* 158 U. S. 538, 547 (1895); *Lapina v. Williams,* 232 U. S. 78, 88 (1914).

Congress' powers may reach acts of a conspiracy which Respondents consummate in foreign countries, ostensibly under the protection of foreign law. *United States v. Sisal Sales Corp.,* 274 U. S. 268 (1927). Congress has plenary power over interstate and foreign commerce. *La. Pub. Serv. Comm'n vs. Texas & N. O. R. Co.,* 284 U. S. 125, 130 (1931); *Gibbons vs. Odgen,* 9 Wheat. 1, 7, 9 (1824); *U. S. vs. Darby,* 312 U. S. 100, 113 (1941). Particularly recognized is Congress' power over foreign commerce whereby it can prohibit merchandise carried in such commerce from entering the United States. **It has thus been stated that no one can be said to have a vested right to carry on foreign commerce with the United States.** *The Abby Dodge,* 223 U. S. 166 (1912); *Buttfield vs. Stranahan,* 192 U. S. 470 (1904). **In the latter case it is suggested that Congress has even greater authority over foreign commerce than it has over interstate commerce.** (See pages 492-3.)

The present-day view of the scope of the commerce power of Congress is expressed in the opinion of Mr. Jus-

tice Murphy in the case of *North American Co. v. S. E. C.*, 327 U. S. 686 (1946) where the Court stated at pages 705-6:

> "**This broad commerce clause does not operate so as to render the nation powerless to defend itself against economic forces that Congress decrees inimical or destructive of the national economy. Rather it is an affirmative power commensurate with the national needs.** * * * And in using this great power, Congress is not bound by technical legal conceptions. Commerce itself is an intensely practical matter. Swift & Co. v. United States, 196 U. S. 375, 398. To deal with it effectively, Congress must be able to act in terms of economic and financial realties. The commerce clause gives it authority so to act.
>
> "**We need not attempt here to draw the outer limits of this plenary power.** It is sufficient to reiterate the well-settled principle that Congress may impose relevant conditions and requirements on those who use the channels of interstate commerce in order that those channels will not become the means of promoting or spreading evil, whether of a physical, moral or economic nature. Brooks v. United States, 267 U. S. 432, 436-437. * * * Once it is established that the evil concerns or affects commerce in more states than one, Congress may act. '**The framers of the Constitution never intended that the legislative power of the nation should find itself incapable of disposing of a subject matter specifically committed to its charge.**' In re Rahrer, 140 U. S. 545, 562." (pp. 705-706.) (Emphasis ours).

Cf. also *Wickard v. Filburn*, 317 U. S. 111, 124 (1942); *U. S. v. Wrightwood Dairy*, 315 U. S. 110, 119 (1942).

Congress is recognized to have power to protect interstate commerce by removing obstructions to the free

flow of commerce. *Communications Assn. v. Douds*, 339 U. S. 382 (1950); *N. L. R. B. v. Jones & Laughlin Steel Corp.*, 301 U. S. 1 (1937). Congress' power similarly to protect foreign commerce should not be any less. *United States v. Sisal Sales Corp.*, 274 U. S. 268 (1927); *Buttfield v. Stranahan*, 192 U. S. 470, 492-493 (1904).

Congress can thus constitutionally reach the course of commerce which here exists **so that by making the scope of the Lanham Act depend upon the extent of the power to regulate commerce (§ 45), the Act becomes applicable to the present factual situation.** Not so to hold would mean the Lanham Act has failed in its purpose to extend the jurisdiction of our Courts in trade mark and unfair competition cases to the farthest reaches of Congressional power. To the contrary, it would mean a retraction of such jurisdiction, for, as this Court pointed out in *Steele v. Bulova*, 344 U. S. 280, 286-7:

> "Under similar factual circumstances, courts of the United States have awarded relief to registered trade-mark owners, **even prior to the advent of the broadened commerce provisions of the Lanham Act.** * * * Even when most zealously read, that Act's sweeping reach into 'all commerce which may lawfully be regulated by Congress' does not constrict prior law or deprive courts of jurisdiction previously exercised." (pp. 286-7). (Emphasis supplied.)

10. **The Place Where the Wrong Was Committed Was Not, As The Lower Courts Assumed, Principally in Canada.** The decision that there was no jurisdiction in New York City because, while the wrong was initiated in New York City it was consummated in Canada is in error. Additionally, the Court overlooked the fact that some Canadian consummations resulted in shipments of the same goods with the infringing mark into the United

States, a final consummation in this country (R. 486a-489a, 508a-515a).

However, the initiation and force of the wrong was in New York. Without the New York operations Respondents' scheme would not have succeeded and what happened in Canada was but an incident to the New York scheme. See Rule 3, Restatement of the Law, Conflict of Laws, American Law Institute, Section 377. The Court below erred in dismissing the case on the assumption that the wrong, while started in New York, was consummated only in Canada. This Court has, in effect, held to the contrary in *Steele v. Bulova*, 344 U. S. 280.

11. **The Court of Appeals Did Not Accord a Liberal Construction to the Treaty.** In *Asakura v. City of Seattle*, 265 U. S. 332, 342 and *Bacardi v. Domenech*, 311 U. S. 150, 161-3, this Court held that treaties should receive a liberal construction. The Court below took the opposite view. **It construed the Treaty unfavorably and narrowly from the standpoint of United States citizens, by letting the Respondents enjoy the Treaty rights in the United States, while holding that they might escape their liabilities and obligations to comply with the Treaty and the Trade Mark Laws of the United States.** The Court of Appeals ignored the fact that the later shipments by Respondents into New York State of Respondents' cheap underwear under the trade mark "Vanity Fair" were clear evidence of their readiness to consummate their evil plan, started in New York.

12. **The Decision of the Court of Appeals is in Conflict with This Court's Opinion in Steele v. Bulova, 344 U. S. 280.** The conflict with this Court's decision in *Steele v. Bulova*, 344 U. S. 280 (1952) is clear. The facts are closely parallel in substantially all essentials. (See

comparative statements of the facts in *Steele v. Bulova* with those in this case, in Appendix C.) The only grounds given by the Courts below not to follow the *Bulova* case were:

First (a) that United States citizens were not involved (by the District Court-R. 620a) (contra R. 12a) and (b) that Canadian citizens were not involved in the United States (by the Court of Appeals-Op. 1559) (contra R. 610a, 14a-15a).

Both statements are erroneous. An American citizen, Bores, heads Respondents' New York office, assisted by thirty other American citizens, and a large number of Canadian citizens constantly visit this office and direct its operation (R. 12a, 14a-15a). The President, John David Eaton, a Canadian, took the lease in his own name to house the Canadian New York business, and was duly served under the New York Law (R. 100a, 113a, 160a-166a).

Second, there was a later registration in the foreign country. In the *Bulova* case, the Mexican registration was cancelled by the time the case reached this Court so that it was said by this Court of such a defense:

> "There is thus no conflict which might afford petitioner a **pretext** that such relief would impugn foreign law." 344 U. S. 280, 289. (Emphasis ours).

An illegal transaction does not commend itself to the favor of a Court on such a thin excuse.

13. **Petitioner's Rights Under the Treaty Have Been Ignored.** Respondent's Canadian trade mark **of later date** than Petitioner's trade mark is immaterial. Whether it is a bad or good trade mark on the Canadian trade mark register is a domestic issue for the Exchequer Court of Canada to settle. But as between the parties personally

before the Court, Petitioner has rights under the Treaty to protect freedom of American export under its trade marks, because Petitioner is the first with prior rights in Canada protected by the Treaty and is guaranteed priority from interference from any later domestic Canadian trade mark. **The Treaty has been enacted into its own domestic law by Canada** in Elizabeth II, Chap. 49 (1952-53), specifically in § 16, providing, in effect, that **the first to adopt in the home country, the first to register in the home country and the first to "make known" in Canada is deemed the owner of the trade mark.** There is thus no conflict between the laws of the United States and Canada.

14. **Other Respects in Which Court of Appeals Decision Conflicts with Authorities in This Court**. This Court's decisions give jurisdiction to United States Courts over **foreign nationals** who are **doing business in the United States**, over whom there is *in personam* jurisdiction and who have **conspired** with United States citizens to injure other United States citizens by violating United States laws. *U. S. v. Scophony Corp.*, 333 U. S. 795, 808 (1949); *Cunard Steam Ship Co. v. Mellon*, 262 U. S., 100 124 (1923); *U. S. v. Diekelman*, 92 U. S. 520, 525 (1875); *Steele v. Bulova*, 344 U. S. 280 (1952); *Carlisle v. U. S.*, 16 Wall. 147 (1872); *Radich v. Hutchins*, 95 U. S. 210 (1877). The fact that Respondents are not citizens, but have used this country as if they were citizens, with a citizen's benefits, and have further employed United States citizens as agents, precludes them from claiming immunity from the doctrine of *Steele v. Bulova*, *supra*, under the above authorities.

15. **The Decision Below is in Conflict with Earlier Cases Decided by the Several Courts of Appeals.** The

instant decision is in direct conflict with *Vacuum Oil Co. v. Eagle Oil Co.*, 154 F. 867, aff'd 162 F. 671 (CCA 3, 1908) cited with approval in *Steele v. Bulova*, 344 U. S. 280, 286-7, and is inconsistent in principle with *L'Aiglon Apparel v. Lana Lobell, Inc.*, 214 F. 2d 649, 654 (CA 3, 1954), and previous Second Circuit decisions, *American Auto v. Spiegel*, 205 F. 2d 771 (CA 2, 1953) and *Luft v. Zande Cosmetic Co.*, 142 F. 2d 536 (CCA 2, 1944).

The effect of the recent cases was to hold that Section 44 of the Lanham Act (15 U. S. C. § 1127) was intended by the Congress **to afford equally to United States citizens all possible remedies against unfair competition by foreigners who are nationals of Convention countries (of which Canada is one) to the fullest extent of the power of Congress to regulate commerce involving such foreigners.**

16. **The Court of Appeals Refused to Give Effect to the Provisions of the Treaty Respecting Unfair Competition.** Where as here, Respondents have committed acts within the territorial jurisdiction of a United States District Court, which acts enabled them to perpetuate abroad the charged infringement, fraud and unfair competition, which affects commerce between this country and foreign countries, there is ample authority for the United States Court to grant relief against such wrongs.

The Treaty specifically condemns

> "Any act of competition contrary to honest practice in industrial or commercial matters." [1]

as unfair competition, and provides that

> "The countries of the Union are bound to assure to nationals of countries of the Union an effective protection against unfair competition." [2]

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[1] Article 10 *bis.* (2); see page 36, Appendix B.

[2] Article 10 *bis.* (1); see page 36, Appendix B.

The Convention has no meaning as a plan to protect trade marks and trade name goods for export unless the Treaty determines who was first as between an importer's trade mark and a resident's trade mark.

17. **The Decision Disregards the Principle of Equal Treatment Under Treaty and Lanham Act.** The decision below ignores the specific terms of the Treaty, as well as §§ 44 and 45 of the Lanham Act and §§ 7 and 14 of the Canadian Trade Mark Act of 1952-53. The basic issue is freedom of export of trade marked goods protected according to the Treaty[1] and the laws of both countries. The trade mark "Vanity Fair" was first adopted in the United States for feminine underwear, first registered in the United States and first "made known" in Canada by Petitioner (R. 106a-111a) who thereby established itself as the prior owner of the trade mark "Vanity Fair" as between the United States and Canada and established its priority in Canada on the export of feminine underwear free from any charges of a latter registered trade mark in Canada and from unfair competition and trade name appropriation based on that later registration.

The Treaty provides for freedom of export if the exporter establishes under the Treaty rules his first rights which will have all the effects as if he had registered first in Canada.

Canada has executed the Treaty in the 1952-53 Trade Mark Act of Canada §§ 3, 4 (1) (3), 5 (a) (b), 10, 16 (1) (a) (c), and hence approved this principle stated in the preceding paragraphs.

18. **The Later Canadian Registration Was Not An Issue.** As Respondents' Canadian trade mark registration

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[1] Articles 4A (1); 4A (2); 6A and B (1) 3°; 6 *bis.*; 9 (1); 10 (1); 10 *bis.* (1) (2) (3), 1° and 10 *ter.*

on **feminine underwear** was not filed until 1933, sixteen years after Petitioner "made known" its mark in Canada starting in 1917, and nineteen years after Petitioner adopted and registered the trade mark in the United States, it was too late and is immaterial here. **The Court below erred when it said:**

> "The crucial issue in this case is the validity of the defendants' Canadian trade mark registration under Canadian Trade Mark Law." (Op. p. 1565).

No such issue was raised in the pleadings. As this attempted registration was **later,** it has no bearing on this case. Respondents registered their mark on **outerwear** in 1915—a year after Petitioner adopted in the United States and made no move to include the goods here, **feminine underwear,** until 1933, which was later abandoned, as the Court below found (Op. p. 1549).

19. **The Treaty Should be Given Extraterritorial Effect When the United States Court Has In Personam Jurisdiction Over the National of a Treaty Signatory Country.** The Courts below have construed the Treaty (and the Commerce Clause of the Constitution) **narrowly so as to eliminate the extraterritorial control of United States Courts,** where action pursuant to a conspiracy of United States and Canadian citizens, in violation of the Treaty (and our other laws) takes place partly in the United States and partly outside of the United States, but the effects of which are felt within the United States. Under Mr. Chief Justice Marshall's equitable doctrine,[1] long followed by this Court, that even though a decree rendered by a Court may affect lands not within the jurisdiction of the Court, such decree may be validly entered where the Court has *in personam* jurisdiction over

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[1] *Massie v. Watts*, 6 Cranch 148 (1810), *supra* p. 11.

the defendant. Here the Court has *in personam* jurisdiction over Respondents, the chief conspirators, so that it can act to prevent a violation of our laws and under our Treaty rights, even though the Court's decree, in protecting our commerce, may affect foreign rights, foreign commerce and foreign nationals. **Anything less (such as held by the Court below), would be a surrender of our sovereignty and in disregard of the Commerce Clause, implemented by the Lanham Act, the 1905 Trade Mark Act, and the Treaty. As pointed out** *supra* pp. 13-14, an alien doing business here, does not have immunity above our own citizens; but that is what the Courts below have held, in saying that we must go to Canada under Canadian Law to get relief.

20. **Steele v. Bulova is Determinative of the Issue Here.** The trade mark issue here is the same as *Steele v. Bulova*, 344 U. S. 280, 281 (1952)[1] where this Court said:

> "The issue is whether the United States District Court has jurisdiction to award relief to American corporations against acts of trade mark infringement and unfair competition consummated in a foreign country by a citizen and resident of the United States."

This Court referred to transactions taking place in the United States and Mexico whose

> "* * * operations and their effects were not confined within the territorial limits of a foreign national * * * Under similar factual circumstances the Courts of the United States have awarded relief to registered

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[1] This Court, reviewing the provisions of the Lanham Act, quoted the definition of "Commerce" in the Act, as "All commerce which may lawfully be regulated by Congress," saying * * * we agree * * * that petitioner's activities, when viewed as a whole, fall within the jurisdictional scope of the Lanham Act." *Steele v. Bulova*, 344 U. S. 280.

trade mark owners, even prior to the advent of the broadened commerce provisions of the Lanham Act."[1]

The immateriality of the United States citizenship of Respondents, stressed in the Courts below, readily appears **when we remember that the fifty year old office of Respondents is headed by an American citizen, W. C. Bores, assisted by thirty American citizens (R. 12a) and by both resident and visiting Canadians (R. 14-15) who operate under Howard L. Knapp, Respondents' Merchandise Manager and a former U. S. citizen (R. 170a, 610a), in quarters in the personal name of John David Eaton, the President of Respondent corporation.**

21. **Declining Jurisdiction on Forum Non Conveniens Where Respondents' Activities in the District Have Been Sufficient to Support In Personam Jurisdiction Conflicts with Principles Established by This Court.** This case involves an extraordinary extension of the rule that convenience of the forum is not limited to a choice of a United States forum. The decision below deprives a United States citizen of the right to seek relief in his own courts, and forces him to seek relief under Canadian law in Canadian Courts, despite the facts that the corporate Respondent had been doing millions of dollars of business within the New York jurisdiction for fifty years with a large organization so that the District Court had no difficulty in finding that it had *in personam* jurisdiction over this Respondent. This latter ruling was not questioned by Respondents in the Court of Appeals. This being the situation, *Interna-*

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[1] *Steele v. Bulova*, 344 U. S. 280, 286-287 (1952); see also *U. S. v. Scophony Corp.*, 333 U. S. 795 (1948); *U. S. v. National Lead*, 332 U. S. 319 (1947); *Strassheim v. Daily*, 221 U. S. 280, 284, 285, 31 S. Ct. 558, 55 L. Ed. 735; *Lamar v. U. S.*, 240 U. S. 60, 65, 66, 36 S. Ct. 255, 60 L. Ed. 526; *Ford v. U. S.*, 273 U. S. 593, 620, 621, 47 S. Ct. 531, 71 L. Ed. 793; Restatement of Conflict of Laws § 65.

tional Shoe v. Washington, 326 U. S. 310, would authorize suit in the New York District in respect of any matter growing out of such business done by Respondents therein. Petitioner's cause of action falls in that category.

The decision is also an attempt to extend this Court's holding in *Gulf Oil v. Gilbert,* 330 U. S. 501 (1946). This doctrine of convenience, which hitherto has been applied by this Court only to situations **where the action can be brought in another Court of the United States,** deemed more convenient, is now relied upon to force a United States citizen to try his case in Canada under Canadian Law, instead of in the United States under United States Law.

Accordingly, Respondents are now protected from suit in the United States. **The Petitioner loses its rights under United States Law, in favor of the sudden "inconvenience" of the Respondents, and is sent by United States Courts of Canada where it must give up its rights under the United States Laws to which it was entitled to as a United States citizen.**

The question is, do we do violence to the meaning of "convenience" or do we protect a United States litigant in his "right" under our law? This decision below is contrary to *Gulf v. Gilbert,* 330 U. S. 501 (1946) in that the District Court failed to consider the several factors spelled out by this Court in that case, where it was stated:

> "But unless the balance is strongly in favor of the defendant, the plaintiff's choice of forum should rarely be disturbed." (330 U. S. 501, 508.)

In the case at bar, there was no such showing of inconvenience over Petitioner's convenience (R. 534a-541a), and no finding as to the relevant factors by the District Court or the Court of Appeals. Certainly sending a litigant to a foreign country to secure his rights under foreign

law does not fall within "convenience." At the least, it should require most detailed findings respecting the factors mentioned by this Court in the *Gulf Oil* case.

CONCLUSION.

The conflict of the decision below with the decisions of this Court and the provisions of the Commerce Clause of the Constitution, the International Treaty or Convention dealing with industrial property and our Trade Mark Laws protecting our foreign trade show that there is a clear necessity for settlement of the issues by this Court.[1]

We seek so "to secure the national rights & uniformity of Judgmts." Here involved are the rights of an American manufacturer, who having complied with the provisions of the Treaty and the United States Laws, as well as the Canadian Trade Mark Law adopting the Treaty, desires to protect its trade-marked exports under its trade mark from interference by Canadians operating in this country for fifty years and in which the acts complained of were initiated and partially consummated. Petitioner further desires to obtain such protection through the courts of this Country which may be expected to give the fullest effect to the provisions of our Constitution, Treaty and Statutes here involved.

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[1] In 1949 Mr. Chief Justice Vinson noted:

"* * * The debates in the Constitutional Convention make clear that the purpose of the establishment of one supreme national tribunal was, in the words of John Rutledge of South Carolina, 'to secure the national rights & uniformity of Judgmts.' The function of the Supreme Court is, therefore, to resolve conflicts of opinion on federal questions that have arisen among lower courts, to pass upon questions of wide importance under the Constitution, laws and treaties of the United States, and to exercise supervisory power over lower Federal courts. * * *" (Address before American Bar Association, Sept. 7, 1949, St. Louis Daily Record (Sept. 8, 1949).)

These are important questions of statutory and treaty construction, which only this Court can settle. *Shapiro v. United States,* 335 U. S. 1, 4. The interpretation given by the Court below to the Federal Statute, the Lanham Act, and to the Treaty emasculates the entire protection of an American manufacturer exporting under his trade mark, guaranteed by the Treaty. This raises serious questions as to the scope of the Treaty and the validity of the Lanham Act, Sections 44 and 45, under our Constitution, so that review by this Court is appropriate. *United States v. Butler,* 297 U. S. 1.

The administration of these laws as to the export trade of the United States depends upon a correct decision. *United States v. Ruzicka,* 329 U. S. 287; *Rothensies v. Electric Battery Co.,* 329 U. S. 296.

These are novel and troublesome problems which will be involved in numerous cases in the future as our international trade grows. *United States v. Standard Oil Co.,* 332 U. S. 301, 302; *United States v. Powell,* 330 U. S. 238. The amount of money involved in the international trade of the United States, mainly under trade marks, amounts to many billions of dollars. *United States v. Zazove,* 334 U. S. 602, 613-614. Our most important manufacturers and their industries depend upon international trade under their trade marks. The widespread effect of the decision below will affect many thousands of people depending upon such industries. *Patterson v. Lamb,* 329 U. S. 539.

For the foregoing reasons, we urge this Petition for a Writ of Certiorari be granted.

Respectfully,

HARRY A. TOULMIN, JR.,

Counsel for Petitioner.

FILED
JUL 23 1956
JOHN T. FEY, Clerk

In the Supreme Court of the United States

OCTOBER TERM, 1956.

No. 275

VANITY FAIR MILLS, INC.,
Petitioner,

v.

THE T. EATON CO. LIMITED,
Respondent.

APPENDIX TO PETITION FOR WRIT OF CERTIORARI To the United States Court of Appeals For the Second Circuit.

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APPENDIX A.

OPINION OF THE COURT OF APPEALS.

(1545*)

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 251—October Term, 1955.

(Argued April 4-5, 1956 Decided June 1, 1956.)

Docket No. 23831.

VANITY FAIR MILLS, INC.,

Plaintiff-Appellant,

v.

THE T. EATON CO. LIMITED and JOHN DAVID EATON,

Defendants-Appellees.

Before:

FRANK, MEDINA and WATERMAN,

Circuit Judges.

Plaintiff, Vanity Fair Mills, Inc., appeals from a judgment of the United States District Court for the Southern District of New York dismissing its complaint because of lack of federal jurisdiction and *forum non conveniens*. Archie O. Dawson, *Judge*. The decision below is reported at 133 F. Supp. 522. Modified and affirmed.

PAUL, WEISS, RIFKIND, WHARTON & GARRISON, New York City, TOULMIN & TOULMIN, Dayton, Ohio (Harry A. Toulmin, Jr., of counsel), *for plaintiff-appellant.*

(1546)

CADWALADER, WICKERSHAM & TAFT, New York City (Jacquelin A. Swords, of counsel), *for defendants-appellees.*

* Boldface figures in parentheses indicate pagination of opinion as printed in the Court of Appeals.

WATERMAN, *Circuit Judge*:

This case presents interesting and novel questions concerning the extraterritorial application of the Lanham Act, 15 U. S. C. § 1051 *et seq.* (1952), and the International Convention for the Protection of Industrial Property (Paris Union), 53 Stat. 1748 (1883, as revised 1934), T. S. No. 941. Plaintiff's complaint, filed November 18, 1954, and amended January 18, 1955, alleged trade-mark infringement and unfair competition both in the United States and Canada. Defendants moved to dismiss under Rule 12(b) of the Federal Rules of Civil Procedure on the grounds that the district court lacked jurisdiction over the person of the individual defendant, John D. Eaton, and the corporate defendant, The T. Eaton Co.; that the district court lacked jurisdiction over the subject matter of the complaint insofar as it related to defendants' alleged trade-mark infringement and unfair competition in the Dominion of Canada; and that the district court was an inconvenient forum for the trial of those issues. The district court found that it had personal jurisdiction over the corporate defendant, and no issue concerning personal jurisdiction is raised by this appeal.[1] However, the district court held that it lacked subject-matter jurisdiction over that portion of the complaint raising Canadian trade-mark issues, and, alternatively, that it was an inconvenient forum for the trial of such issues. That portion (1547) of the complaint asserting claims based upon violation of United States trade-marks and unfair competition in this country was recognized by the district court as within

[1] The district court reserved judgment on the issue of whether or not there was personal jurisdiction over the individual defendant, John David Eaton. That issue is irrelevant on this appeal, and reference will hereafter be made only to the corporate defendant, the T. Eaton Co. Limited.

its jurisdiction, but because the complaint was thought to inextricably combine the Canadian and American issues, the court dismissed the complaint in its entirety, with leave to file an amended complaint stating separately the American issues. Plaintiff chose to stand on its original complaint, and appealed from the judgment dismissing the complaint.[2]

Although the parties presented many affidavits, depositions, and exhibits for the consideration of the district court, there has been no trial of facts, and the complaint is unanswered. On an appeal from a judgment granting a motion to dismiss a complaint for lack of federal jurisdiction, we must assume the truth of the facts stated in the complaint.[3] On the basis of the plaintiff's complaint, the following facts may be assumed to be true for the purpose of this appeal:

Plaintiff, Vanity Fair Mills, Inc., is a Pennsylvania corporation, having its principal place of business at Reading, Pennsylvania. It has been engaged in the manufacture and sale of women's underwear under the trademark "Vanity Fair" since about the year 1914 in the United States, and has been continuously offering its branded merchandise for sale in Canada since at least 1917. Plaintiff has publicized **(1548)** its trade-mark "Vanity Fair" on feminine underwear in the United States since

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[2] The judgment appealed from is appealable both because it is an appeal from an order "refusing * * * injunctions" within 28 U. S. C. § 1212(1), see *Telechron, Inc. v. Parissi*, 2 Cir. 1952, 197 F. 2d 757, and because the judgment dismissing plaintiff's amended complaint was a final order. See *Crutcher v. Joyce*, 10 Cir. 1943, 134 F. 2d 809; *Cleary Brothers v. Christie Scow Corporation*, 2 Cir. 1949, 176 F. 2d 370.

[3] See *Steele v. Bulova Watch Co.*, 1952, 344 U. S. 280, 284; *United States v. New Wrinkle*, 1952, 342 U. S. 371, 376; *Kroese v. General Castings Corporation*, 3 Cir. 1950, 179 F. 2d 760, 761.

1914, and since 1917 has regularly expended large sums of money in advertising and promoting its trade-mark both in the United States and Canada. As a result of the high quality of plaintiff's merchandise, and its extensive sales promotion and advertising, the name "Vanity Fair" has become associated throughout the United States and Canada with plaintiff's products.

Beginning in 1914 plaintiff has protected its trade-mark rights by registrations with the United States Patent Office of the trade-mark "Vanity Fair" as applying to various types of underwear. It has been continuously manufacturing and selling feminine underwear under these trade-mark registrations since about the year 1914.

Defendant, The T. Eaton Company, Limited, is a Canadian corporation engaged in the retail merchandising business throughout Canada, with its principal office in Toronto, Ontario. It has a regular and established place of business within the Southern District of New York. On November 3, 1915, defendant filed with the proper Canadian official an application for the registration in Canada of the trade-mark "Vanity Fair," claiming use in connection with the sale of "Women's, Misses' and Children's Coats, Suits, Cloaks, Waists, Dresses, Skirts, Corsets, Knitted Goods, Gloves, Hosiery, Boots & Shoes, Outer Garments, and other Wearing Apparel." On November 10, 1915, the proper Canadian official granted defendant's application for the registration of that mark. Plaintiff asserts that this registration applies only to feminine outerwear, and that in any event it is merely a "paper registration" because of non-use. In 1919 plaintiff sought to register the trade-mark "Vanity Fair" in Canada for "ready made underwear," but its application was rejected as a matter of course because of the prior registration of defendant. In 1933 defendant, in reply to a request of the

Canadian Registrar of Trade-Marks (1549), listed "women's underwear, corsets, girdles and other foundation garments" as the goods in connection with which it had actually been using the mark "Vanity Fair," and its registration was modified accordingly. Plaintiff alleges that defendant, by this informal procedure, amended its trade-mark registration in Canada to include, for the first time, feminine underwear.

During the years 1945-1953 the defendant ceased to use its own "Vanity Fair" trade-mark, purchased branded merchandise from the plaintiff, and sold this merchandise under advertisements indicating that it was of United States origin and of plaintiff's manufacture. These purchases by defendant from plaintiff were made through defendant's New York office. In 1953 defendant resumed the use of its own trade-mark "Vanity Fair" and, simultaneously, under the same trade-mark, sold plaintiff's branded merchandise and cheaper merchandise of Canadian manufacture. Defendant at this time objected to plaintiff's sales of its branded merchandise to one of defendant's principal competitors in Canada, the Robert Simpson Company. The Simpson Company discontinued purchases of plaintiff's branded merchandise after being threatened with infringement suits by defendant.

Plaintiff alleges that these acts constitute a conspiracy on the part of the corporate defendant and its officers and agents to appropriate for their own benefit plaintiff's registered and common-law trade-mark. It asserts that defendant, by purchasing plaintiff's branded merchandise for a period of years and advertising and selling such merchandise as plaintiff's goods, attempted to associate plaintiff's trade-mark with itself, and, that purpose having been accomplished, defendant then began using the trade-mark "Vanity Fair" in connection with its own inferior feminine

underwear, discontinued purchases from plaintiff, and threatened its competitors in Canada with infringement **(1550)** suits if they continued to sell plaintiff's branded merchandise in Canada.

Finally, plaintiff asserts that defendant has advertised feminine underwear in the United States under the trade-mark "Vanity Fair," and that it has sold such underwear by mail to customers residing in the United States.

The complaint seeks injunctive relief against the use by defendant of the trade-mark "Vanity Fair" in connection with women's underwear both in Canada and the United States, a declaration of the superior rights of the plaintiff in such trade-mark, and an accounting for damages and profits.

The initial question is whether the district court had jurisdiction over all, or only part, of the action. Plaintiff's complaint asserted federal jurisdiction both because it raised substantial federal questions under the Lanham Act, 15 U. S. C. § 1051 *et seq.*, and the International Convention for the Protection of Industrial Property, 53 Stat. 1748, and because of the presence of diversity of citizenship and the requisite jurisdictional amount, 28 U. S. C. § 1332. Regardless of the existence of the other asserted grounds for federal jurisdiction, the allegations of diversity of citizenship and of the requisite jurisdictional amount were sufficient to vest the district court with jurisdiction over the entire action.

Plaintiff, however, does not rely other than incidentally on diversity as the basis for federal jurisdiction, but asserts that its claims arise under the laws of the United States and should be governed by those laws. The result sought—extraterritorial application of American law—is contrary to usual conflict-of-laws principles. *First*, the legal status of foreign nationals in the United States

is determined solely by our domestic law—foreign law confers no privilege in this country that our courts are bound to recognize. *Ingenohl v. Olsen & Co.*, 1927, 273 U. S. 541; *United Drug* **(1551)** *Co. v. Rectanus Co.*, 1915, 248 U. S. 90; *Baglin v. Cusenier Co.*, 1911, 221 U. S. 580. And when trade-mark rights within the United States are being litigated in an American court, the decisions of foreign courts concerning the respective trade-mark rights of the parties are irrelevant and inadmissible. *George W. Luft Co. v. Zande Cosmetic Co.*, 2 Cir., 1944, 142 F. 2d 536, 539. Similarly, the rights and liabilities of United States citizens who compete with foreign nationals in their home countries are ordinarily to be determined by the appropriate foreign law. *Ingenohl v. Olsen & Co., supra*, at 544. This fundamental principle, although not without exceptions, is the usual rule, and is based upon practical considerations such as the difficulty of obtaining extraterritorial enforcement of domestic law, as well as on considerations of international comity and respect for national integrity. *Second*, the creation and extent of tort liability is governed, according to the usual rule, by the law of the place where the alleged tort was committed *(lex loci delicti)*.[4] The place of the wrong *(locus delicti)* is where the last event necessary to make an actor liable takes place.[5] If the conduct complained of is fradulent misrepresentation, the place of the wrong is not where the

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[4] Consult Restatement, Conflict of Laws §§ 377-390 (1934); Hancock, Torts in the Conflict of Laws, xvii, 21-53 (1952); Lorenzen, Selected Articles on the Conflict of Laws, 1-18, 360-378 (1947). The rule of *lex loci delecti* is well established both in the federal courts and in the courts of New York. See, e.g., *Cuba R. R. Co. v. Crosby*, 1912, 222 U. S. 473; *Conkline v. Canadian-Colonial Airways, Inc.*, 1935, 266 N. Y. 244, 194 N. E. 692. Cf. discussion in *Walton v. Arabian American Oil Co.*, 2 Cir. May 15, 1956, ____ F. 2d ____.

[5] Restatement, Conflict of Laws § 377 (1934).

fraudulent statement was made, but where the plaintiff, as a result thereof, suffered a loss.[6] Thus in cases of trade-mark infringement and unfair competition, the wrong takes place not where the deceptive labels are affixed to the goods **(1552)** or where the goods are wrapped in the misleading packages, but where the passing off occurs, *i.e.*, where the deceived customer buys the defendant's product in the belief that he is buying the plaintiff's.[7] In this case, with the exception of defendant's few mail order sales into the United States, the passing-off occurred in Canada, and hence under the usual rule would be governed by Canadian law.

Conflict-of-laws principles, however, are not determinative of the question whether the International Convention and/or the Lanham Act provide relief in American courts and under American law against acts of trade-mark infringement and unfair competition committed in

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[6] *Ibid.* Rules 4 and 5, Illustrations 5 and 6.

[7] With the exception of *George W. Luft v. Zande Cosmetic Co.*, 2 Cir. 1944, 142 F. 2d 536, the few American cases which have involved acts of unfair competition committed in other countries have ignored these conflict-of-laws principles. In *Vacuum Oil Co. v. Eagle Oil Co.*, C. C. N. J. 1907, 154 Fed. 867, aff'd 3 Cir. 1908, 162 Fed. 671, cert. denied 214 U. S. 515, and *Morris v. Altstedter*, S. Ct. 1916, 93 Misc. 329, 156 N. Y. Supp. 1103, the courts presumed that the laws concerning unfair competition of every civilized country were identical to those of the forum. In *Hecker H-O Co. v. Holland Food Corporation*, 2 Cir. 1929, 36 F. 2d 767, distinguished in *George W. Luft Co. v. Zande Cosmetic Co., supra*, the court did not consider the effect of the defendant's having a presumably valid foreign trade-mark in deciding that the Trade-Mark Act of 1905 was violated by affixing infringing labels in the United States on goods shipped to foreign countries.

For discussions of conflict-of-laws principles as they refer to unfair competition, consult Wengler, Law Concerning Unfair Competition and the Conflict of Laws, 4 Am. J. of Comp. Law 167 (1955); Note, The Bulova Case: *Lex Loci Delicti v. International Trade-Mark Protection*, 47 NW. U. L. Rev. 677 (1952); Note, The Choice of Law in Multistate Unfair Competition: A Legal-Industrial Enigma, 60 Harv. L. Rev. 1315 (1947).

foreign countries by foreign nationals. If the International Convention or the Lanham Act provide such relief, and if the provisions are within constitutional powers, American courts would be required to enforce these provisions.[8] It is therefore necessary to determine whether the Inter-
(1553) national Convention or the Lanham Act provide such relief. Only if it is determined that they do not provide such extensive relief, and hence that the only jurisdictional basis for the suit is diversity of citizenship, do we reach the question whether the district court abused its discretion in dismissing the complaint because of *forum non conveniens*.

I. The International Convention.

Plaintiff asserts that the International Convention for the Protection of Industrial Property (Paris Union), 53 Stat. 1748 (1883, as revised 1934), T. S. No. 941, to which both the United States and Canada are parties, is self-executing; that by virtue of Article VI of the Constitution it is a part of the law of this country which is to be enforced by its courts; and that the Convention has created rights available to plaintiff which protect it against trademark infringement and unfair competition in foreign countries. Plaintiff would appear to be correct in arguing that no special legislation in the United States was necessary to make the International Convention effective here,[9] but it erroneously maintains that the Convention created

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[8] See *Steele v. Bulova Watch Co.*, 1952, 344 U. S. 280; *United States v. Aluminum Co. of America*, 2 Cir. 1945, 148 F. 2d 416, 443.

[9] *Bacardi Corporation of America v. Domenech*, 1940, 311 U. S. 150; *Master, Wardens, Etc. v. Cribben & Sexton Co.*, C. C. P. A. 1953, 202 F. 2d 779, 783; *La Republique Francaise v. Schultz*, C. C. N. Y. 1893, 57 Fed. 37; *Kerry v. Toupin*, C. C. Mass. 1894, 60 Fed. 272, 273.

private rights *under American law* for acts of unfair competition occurring in foreign countries.

The International Convention is essentially a compact between the various member countries to accord in their own countries to citizens of the other contracting parties trade-mark and other rights comparable to those accorded their own citizens by their domestic law. The underlying principle is that foreign nationals should be given the same treatment in each of the member countries as that country **(1554)** makes available to its own citizens. In addition, the Convention sought to create uniformity in certain respects by obligating each member nation "to assure to nationals of countries of the Union an effective protection against unfair competition." [10]

The Convention is not premised upon the idea that the trade-mark and related laws of each member nation shall be given extraterritorial application, but on exactly the converse principle that each nation's law shall have only territorial application. Thus a foreign national of a member nation using his trade-mark in commerce in the United States is accorded extensive protection here against infringement and other types of unfair competition by

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[10] Article 10 *bis* of the International Convention, 53 Stat. 1783, T. S. No. 941, reads as follows:

"(1) The countries of the Union are bound to assure to nationals of countries of the Union an effective protection against unfair competition.

"(2) Any act of competition contrary to honest practice in industrial or commercial matters constitutes an act of unfair competition.

"(3) The following particularly are to be forbidden: 1°. All acts whatsoever of a nature to create confusion in any way whatsoever with the establishment, the goods, or the services of the competitor; 2°. False allegations in the conduct of trade of a nature to discredit the establishment, the goods, or the services of a competitor."

See 4 Callmann, Unfair Competition and Trade-Marks § 99.2 (2d ed., 1950).

virtue of United States membership in the Convention. But that protection has its source in, and is subject to the limitations of, American law, not the law of the foreign national's own country. Likewise, the International Convention provides protection to a United States trade-mark owner such as plaintiff against unfair competition and trade-mark infringement in Canada—but only to the extent that Canadian law recognizes the treaty obligation as creating private rights or has made the Convention operative by implementing legislation. Under Canadian law, unlike United (1555) States law, the International Convention was not effective to create any private rights in Canada without legislative implementation.[11] However, the obligations undertaken by the Dominion of Canada under this treaty have been implemented by legislation, most recently by the Canadian Trade Marks Act of 1953, 1-2 Elizabeth II, Chapter 49. If plaintiff has any rights under the International Convention (other than through § 44 of the Lanham Act, discussed below), they are derived from this Canadian law, and not from the fact that the International Convention may be a self-executing treaty which is a part of the law of this country.

II. The Lanham Act.

Plaintiff's primary reliance is on the Lanham Act, 15 U. S. C. §§ 1051-1127, 60 Stat. 427, a complex statute conferring broad jurisdictional powers on the federal courts. Plaintiff advances two alternative arguments, the first one based on the decision of the Supreme Court in *Steele v. Bulova Watch Co.*, 1952, 344 U. S. 280, giving the provisions of the Lanham Act an extraterritorial application

[11] *Albany Packing Co., Inc. v. Registrar of Trade Marks* [1940], Ex. C. R. 256, 265-266; *Arrow Slide & Boom Co. v. Pigeon Lumber Co.* [1930], 65 O. L. R. 575, 580 ff., 66 O. L. R. 577, 578 [1932], S. C. R. 495, 510.

against acts committed in Mexico by an American citizen, and the second based specifically on § 44 of the Act, 15 U. S. C. § 1126, which was intended to carry out our obligations under the International Conventions.

A. General Extraterritorial Application of the Lanham Act—the Bulova Case.

Section 32 (1) (a) of the Lanham Act, 15 U. S. C. § 1114 (1) (a), one of the more important substantive provisions of the Act, protects the owner of a registered mark from **(1556)** use "in commerce" by another that is "likely to cause confusion or mistake or to deceive purchasers as to the source of origin" of the other's goods or services. "Commerce" is defined by the Act as "all commerce which may lawfully be regulated by Congress." § 45, 15 U. S. C. § 1127. Plaintiff, relying on *Steele v. Bulova Watch Co.*, 1952, 344 U. S. 280, argues that § 32 (1) (a) should be given an extraterritorial application, and that this case falls within the literal wording of the section since the defendant's use of the mark "Vanity Fair" in Canada had a substantial effect on "commerce which may be lawfully be regulated by Congress."

While Congress has no power to regulate commerce in the Dominion of Canada, it does have power to regulate commerce "with foreign nations or among the several states." This power is now generally interpreted to extend to all commerce, even intrastate and entirely foreign commerce, which has a substantial effect on commerce between the states or between the United States and foreign countries. *Thomsen v. Cayser*, 1917, 243 U. S. 66, 88; *N. L. R. B. v. Jones & Laughlin S. Corp.*, 1937, 301 U. S. 1; *Mandeville Island Farms v. American Crystal Sugar Co.*, 1948, 334 U. S. 219; *Moore v. Mead's Fine Bread Co.*, 1954, 348 U. S. 115; *Branch v. Federal Trade*

Commission, 7 Cir. 1944, 141 F. 2d 31. Particularly is this true when a conspiracy is alleged with acts in furtherance of that conspiracy taking place in both the United States and foreign countries. *United States v. Sisal Sales Corporation*, 1927, 274 U. S. 268; *United States v. Imperial Chemical Industries*, S. D. N. Y. 1951, 100 F. Supp. 504; see Note, Application of the Anti-Trust Laws to Extra Territorial Conspiracies, 49 Yale L. J. 1312 (1940) and cases cited therein. Thus it may well be that Congress could constitutionally provide infringement remedies so long as the defendant's use of the mark **(1557)** has a substantial effect on the foreign or interstate commerce of the United States. But we do not reach this constitutional question because we do not think that Congress intended that the infringement remedies provided in § 32 (1) (a) and elsewhere should be applied to acts committed by a foreign national in his home country under a presumably valid trade-mark registration in that country.

The Lanham Act itself gives almost no indication of the extent to which Congress intended to exercise its power in this area. While § 45, 15 U. S. C. § 1127, states a broad definition of the "commerce" subject to the Act, both the statement of Congressional intent in the same section[12] and the provisions of § 44, 15 U. S. C. § 1126,

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[12] "The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commence [*sic*] from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; *and to provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered into between the United States and foreign nations.*" 15 U. S. C. § 1127. [Emphasis added.]

indicate Congressional regard for the basic principle of the international Conventions, *i.e.*, equal application to citizens and foreign nationals alike of the territorial law of the place where the acts occurred. And the Supreme Court, in *Steele v. Bulova Watch Co.*, 1952, 344 U. S. 280 the only other extraterritorial case since the Lanham Act, did not intimate that the Act should be given the extreme interpretation urged upon us here.

In the *Bulova* case, *supra*, the Fifth Circuit, 194 F. 2d 567, assuming that the defendant had a valid registration under Mexican law, found that the district court had jurisdiction to prevent the defendant's use of the mark in Mexico, **(1558)** on the ground that there was a sufficient effect on United States commerce. Subsequently, the defendant's registration was canceled in Mexican proceedings, and on review of the Fifth Circuit's decision, the Supreme Court noted that the question of the effect of a valid registration in the foreign country was not before it. The Court affirmed the Fifth Circuit, holding that the federal district court had jurisdiction to prevent unfair use of the plaintiff's mark in Mexico. In doing so the Court stressed three factors: (1) the defendant's conduct had a substantial effect on United States commerce; (2) the defendant was a United States citizen and the United States has a broad power to regulate the conduct of its citizens in foreign countries; and (3) there was no conflict with trade-mark rights established under the foreign law, since the defendant's Mexican registration had been canceled by proceedings in Mexico. Only the first factor is present in this case.

We do not think that the *Bulova* case lends support to plaintiff; to the contrary, we think that the rationale of the Court was so thoroughly based on the power of the

United States to govern "the conduct of *its own citizens* upon the high seas or even in foreign countries *when the rights of other nations or their nations are not infringed*," [13] that the **(1559)** absence of one of the above factors might well be determinative and that the absence of both is certainly fatal.[14] Plaintiff makes some argument that many American citizens are employed in defendant's New York office, but it is abundantly clear that these employees do not direct the affairs of the company or in any way control its actions. The officers and directors of defendant who manage its affairs are Canadian citizens. Moreover, the action has only been brought

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[13] 344 U. S. 280, 285, 286. [Emphasis added.] The following quotations from the opinion of the Court indicate the importance to the decision of the two factors referred to:

"* * * Congress in prescribing standards of conduct *for American citizens* may project the impact of its laws beyond the territorial boundaries of the United States." 344 U. S. at 282.

"* * * 'Congress has the power to prevent unfair trade practices in foreign commerce *by citizens of the United States*, although some of the acts are done outside the territorial limits of the United States.'" 344 U. S. at 286.

"* * * Mexico's courts have nullified the Mexican registration of 'Bulova'; there is thus no conflict which might afford petitioner a pretext that such relief would impugn foreign law. The question, therefore, whether a valid foreign registration would affect either the power to enjoin or the propriety of its exercise is not before us. Where, as here, *there can be no interference with the sovereignty of another nation*, the District Court in exercising its equity powers may command persons properly before it to cease or perform acts outside its territorial jurisdiction. * * *" 344 U. S. at 289.

[14] At the time the Fifth Circuit decided the *Bulova* case, 194 F. 2d 567, the defendant's Mexican registration had not been canceled. Since the Fifth Circuit assumed that the defendant had a valid Mexican registration, it thought the presence or absence of a foreign trade-mark was not a determinative factor. Cf. *George W. Luft Co. v. Zande Cosmetic Co.*, 2 Cir. 1944, 142 F. 2d 536. We need not decide that question because of the additional fact that the defendant here is not an American citizen.

against Canadian citizens. We conclude that the remedies provided by the Lanham Act, other than in § 44, should not be given an extraterritorial application against foreign citizens acting under presumably valid trade-marks in a foreign country.

B. *Section 44 of the Lanham Act.*

Plaintiff's alternative contention is that § 44 of the Lanham Act, which is entitled "International Conventions," affords to United States citizens all possible remedies against unfair competition by foreigners who are nationals of convention countries, including the relief requested in this case. Subsection (b) of § 44 specifies that nationals of foreign countries signatory to certain named conventions (including the Paris Union signed by Canada) are "entitled **(1560)** to the benefits [of the Act] to the extent * * * essential to give effect to [the conventions]." Subsection (g) then provides that the trade names of persons described in subsection (b), *i.e.*, nationals of foreign countries which have signed the conventions, "shall be protected without the obligation of filing or registration whether or not they form parts of marks," and subsection (h) provides that the same persons "shall be entitled to effective protection against unfair competition * * *" Finally, subsection (i) provides that "citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in subsection (b) * * *" Thus § 44 first implements the international agreements by providing certain foreign nationals with the benefits contained in those agreements, then, in subsection (i), places American citizens on an equal footing by providing them with the same benefits. See *American Auto. Ass'n v. Spiegel*, 2 Cir. 1953, 205 F.

d 771; *L'Aiglon Apparel v. Lana Lobell, Inc.*, 3 Cir. 1955, 14 F. 2d 649. Since American citizens are given only he same benefits granted to eligible foreign nationals, the benefits conferred on foreign nationals must be examined o see whether they have any extraterritorial application.

The benefits provided by § 44 (without attempting to be exhaustive) may be summarized as follows:[15] a foreign national may register his foreign mark upon the production of a certificate of registration issued by his country of origin, even though he has not used his mark n United States commerce, § 44 (c), 15 U. S. C. § 1126 (c); in determining priority of filing, if the foreign national has filed for registration in the United States within six months **(1561)** after filing abroad, he may make use of his foreign filing date but if his foreign registration antedates the six month period, he may use only his United States filing date, § 44(d), 15 U. S. C. § 1126(d), a foreign national may register his foreign mark on the Principal Register if they are eligible, and, if not, on the Supplemental Register, § 44(e), 15 U. S. C. § 1126(e); a foreign national may prevent the importation into the United States of goods bearing infringing marks or names, § 42, 15 U. S. C. § 1124; once a foreign mark has been registered under the Lanham Act, its status in the United States is independent of the continued validity of its registration abroad, and its duration, validity, and transfer in the United States are governed by "the provisions of this chapter," § 44(f), 15 U. S. C. § 1126(f). It will be noted that all of these benefits are internal to the United States in the sense that they confer on foreign national certain

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[15] See Ladas, The Lanham Act and International Trade, 14 Law and Contemp. Problems 269 (1949); 4 Callmann, Unfair Competition and Trade-Marks § 99.2(a) (2d ed., 1950).

rights in the United States. None of them could have extraterritorial application, for all of them relate solely to the registration and protection of marks within the United States.

We now come to the two remaining benefits specified in §44, and the ones upon which plaintiff relies: the provision in subsection (g) protecting trade-names without the obligation of filing or registration, and the provision in subsection (h) entitling eligible foreign nationals "to effective protection against unfair competition" and making available "the remedies provided in this chapter for infringement of marks * * * so far as they may be appropriate in repressing acts of unfair competition." Here again, we think that these benefits are limited in application to within the United States. It is true that they are not expressly so limited, but it seems inconceivable that Congress meant by this language to extend to all eligible foreign **(1562)** nationals a remedy *in the United States against unfair competition occurring in their own countries.* Moreover, if § 44 were so interpreted, it would apply to commerce which is beyond the Congressional power to regulate, and a serious constitutional question would be created. In the absence of any Congressional intent to provide remedies of such extensive application, we interpret § 44 in a manner which avoids constitutional questions and which carries out the underlying principle of the International Conventions sought to be implemented by § 44—the principle that each nation shall apply its national law equally to foreigners and citizens alike.

Since United States citizens are given by subsection (i) of § 44 only the same benefits which the Act extends to eligible foreign nationals, and since the benefits conferred on those foreign nationals have no extraterritorial

application, the benefits accorded to citizens by this section can likewise have no extraterritorial application.[16]

(1563)

III. Forum Non Conveniens.

With respect to the trade-mark infringement and unfair competition alleged to have occurred within Canada, the complaint, as we have seen, does not state a claim arising under the laws of the United States. Therefore, the jurisdiction of the district court over this part of the action rests solely on diversity of citizenship.[17] Plaintiff

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[16] The fact that United States citizens have already been given benefits by other provisions of the Lanham Act similar or identical to those contained in § 44 should not obscure the fact that subsection (i) added certain rights which United States citizens would not otherwise have had. For example, citizens or residents of the United States who have a "bona fide and effective business or a commercial establishment" in a foreign country, within the meaning of subsection (b), may register any trademarks which they have registered in that foreign country in the same manner as that provided for foreign nationals and with the same filing priorities. Thus § 44(i) has meaning independent of its possible significance as a source of a substantive federal law of unfair competition. See *Stauffer v. Exley*, 9 Cir. 1950, 184 F. 2d 962, and *Pagliero v. Wallace China Co.*, 9 Cir. 1952, 198 F. 2d 339, where the Ninth Circuit held that § 44(i) created a substantive federal law of unfair competition wherever interstate commerce is involved, and hence that federal district courts have federal-question jurisdiction over all claims of unfair competition brought by those engaged in interstate commerce. In *American Auto. Ass'n v. Spiegel*, 2 Cir. 1953, 205 F. 2d 771, we held to the contrary; and the Third Circuit has since come to the same conclusion, *L'Aiglon Apparel v. Lana Lobell, Inc.*, 3 Cir. 1954, 214 F. 2d 649. The Supreme Court has not yet passed on the question.

[17] In a diversity action brought to enforce state-created rights, we must apply the law of New York, including its conflict-of-laws rules. *Klaxon Co. v. Stentor Electric Mfg. Co.*, 1941, 313 U. S. 487. New York follows the almost universal rule that the law governing a tort is the law of the place where the alleged wrong occurred. See *Conklin v. Canadian Colonial Airways, Inc.*, 1935, 266 N. Y. 244, 248, 194 N. E. 692, 694; *Loucks v. Standard Oil Co.*, 1918, 224 N. Y. 99, 120 N. E. 198; *Whitford v. Panama R. Co.*, 1861, 23 N. Y. 466. Consequently, Canadian law governs the unfair competition occurring in Canada.

contends that actions for unfair competition are transitory, and that the district court was required to exercise its jurisdiction over the action, even though the passing off occurred outside of the United States, because plaintiff is an American citizen and personal jurisdiction over defendant can be obtained within the United States only in the Southern District of New York. We think, however, that the district court did not abuse its discretion in declining to exercise its jurisdiction over that portion of the case arising in Canada and governed by Canadian trade-mark law.

The doctrine of *forum non conveniens* is now firmly established in federal law. *Koster v. Lumbermen's Mut. Casualty Co.*, 1947, 330 U. S. 518; *Gulf Oil Corporation v. Gilbert*, 1947, 330 U. S. 501. 28 U. S. C. § 1404(a) has, in effect, codified and replaced this doctrine whenever the more convenient tribunal is a United States district court where the action "might have been brought." *Norwood v. Kirkpatrick*, 1955, 349 U. S. 29. But the federal courts retain the inherent power to refuse jurisdiction of cases **(1564)** not within § 1404(a)—cases which should have been brought in a foreign jurisdiction, rather than in the United States. *De Sairigne v. Gould*, 2 Cir. 1949, 177 F. 2d 515, aff'g 83 F. Supp. 270, cert. denied 339 U. S. 912; *Latimer v. S/A Industrias Reunidas F. Matarazzo*, S. D. N. Y. 1950, 91 F. Supp. 469. Whether jurisdiction should be declined is determined by balancing conveniences, but the plaintiff's choice of forum will not be disturbed unless the balance is strongly in favor of the defendant. See *Gulf Oil Corporation v. Gilbert, supra*, at 504-509. Finally, in the determination of a motion to dismiss for *forum non conveniens*, the court may consider affidavits submitted by the moving and opposing parties. *Koster v. Lumbermen's Mut. Casualty Co., supra*, at 531.

An American citizen does not have an absolute right under all circumstances to sue in an American court. *De Sairigne v. Gould, supra; United States M & S Ins. Co. v. A/S Den Norske OG Line,* 2 Cir. 1933, 65 F. 2d 392; *Wheeler v. Societe Nationale des Chemins etc.,* S. D. N. Y. 1952, 108 F. Supp. 652. However, where, as here, application of the doctrine of *forum non conveniens* would force an American citizen to seek redress in a foreign court, courts of the United States are reluctant to apply the doctrine. *Burt v. Isthmus Development Co.,* 5 Cir. 1955, 218 F. 2d 353; *The Saudades,* E. D. Pa. 1946, 67 F. Supp. 820; cf. *Swift & Co. Packers v. Compania Columbiana Del Caribe S/A,* 1950, 339 U. S. 684, 697.

We are convinced that the balance of convenience is strongly in favor of defendant,[18] but it is unnecessary for the following reasons for us to rely solely on that ground.

(1565) The crucial issue in this case is the validity of defendant's Canadian trade-mark registration under Canadian trade-mark law. The Canadian Registrar of Trade-Marks has registered the mark "Vanity Fair" in defendant's name and has refused registration of plaintiff's "Vanity Fair" mark on the ground that it interfered

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[18] When the "practical problems that make trial of a case easy, expeditious, and inexpensive," *Gulf Oil Corporation v. Gilbert,* 1946, 330 U. S. 501, 508, are considered, the Southern District of New York is seen to be an inconvenient forum. Some evidence from American sources would be required, such as proof of plaintiff's American advertising spilling over into Canada. But most of the issues of fact, such as defendant's and plaintiff's respective use of the trade-mark "Vanity Fair" in Canada; defendant's non-use of the trade-mark for a period of years; defendant's resumption of use in 1953, etc., are issues on which the witnesses and proof would be more readily available in Canada. If it be thought that dismissal is too harsh a disposition of a case such as this, it should be remembered that the trial court has power to dismiss on condition that the defendant stipulate to waive the statute of limitations *pro tanto.* The courts of other countries will ordinarily recognize such a stipulation, and the plaintiff is thus assured of a remedy elsewhere.

with defendant's prior registration. Sections 6 and 19 of the Canadian Trade-Mark Act of 1952 give the Canadian registrant of a trade-mark the statutory right to prevent the use in Canada of a confusing mark, unless the Canadian registration is shown to be invalid. Such a showing could be made in any Canadian court of competent jurisdiction as a defense to an infringement action brought by defendant, or plaintiff could initiate proceedings in the Exchequer Court of Canada to expunge or amend defendant's registration. §§ 18 and 56. The Exchequer Court is given exclusive jurisdiction by §56 to expunge or amend a trade-mark registration. Under these circumstances, we do not think a United States district court should take jurisdiction over that portion of this action turning on the validity or invalidity of defendant's Canadian trademark.

In the first place, courts of one state are reluctant to impose liability upon a person who acts pursuant to a privilege conferred by the law of the place where the acts occurred. Restatement, Conflict of Laws § 382(2); Goodrich **(1566)** Conflict of Laws § 94 (1939). In the second place, it is well established that the courts of one state will not determine the validity of the acts of a foreign sovereign done within its borders. *Underhill v. Hernandez*, 1897, 168 U. S. 250; *American Banana Co. v. United Fruit Co.*, 1909, 213 U. S. 347; *Ricaud v. American Metal Co.*, 1918, 246 U. S. 304; *Banco de Espana v. Federal Reserve Bank*, 2 Cir. 1940, 114 F. 2d 438; *Bernstein v. Van Heyghen Freres Societe Anonyme*, 2 Cir. 1947, 163 F. 2d 246, cert. denied 332 U. S. 772, *Pasos v. Pan American Airways*, 2 Cir. February 13, 1956, ____ F. 2d ____. These precedents have not involved the acts of trade-mark officials of foreign countries, but their rationale would appear to extend to that situation. Moreover, in *George W. Luft v. Zande Cosmetic Co.*, 2 Cir. 1944, 142 F. 2d 536,

cert. denied 323 U. S. 756, we assumed the validity of foreign trade-mark registrations in holding that the lower court could not enjoin an American manufacturer from labeling his product with an infringing mark in the United States for shipment to foreign countries in which he had a presumably valid registered trade-mark. "We do not see upon what 'principles of equity' a court can enjoin the initiation of acts in the United States which constitute no wrong to the plaintiff in the country where they are to be consummated. Nor can we perceive upon what theory a plaintiff can recover damages for acts in the United States resulting in a sale of merchandise in a foreign country under a mark to which the defendant has established, over the plaintiff's opposition, a legal right of use in that country. Consequently, neither the injunction nor the accounting should cover activities of the defendants, either here or abroad, concerned with sales in countries where the defendants have established rights superior to the plaintiff's in the name 'Zande.'" 142 F. 2d at 540.

Were this merely a transitory tort action in which disputed facts could be litigated as conveniently here as in **(1567)** Canada, we would think the jurisdiction of the district court should be exercised. But we do not think it the province of United States district courts to determine the validity of trade-marks which officials of foreign countries have seen fit to grant. To do so would be to welcome conflicts with the administrative and judicial officers of the Dominion of Canada. We realize that a court of equity having personal jurisdiction over a party has power to enjoin him from committing acts elsewhere.[19]

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[19] *New Jersey v. New York City*, 1931, 283 U. S. 473; *Massie v. Watts*, 1810, 6 Cranch (U. S.) 148; *The Salton Sea Cases*, 9 Cir. 1909, 172 Fed. 792; *Kroese v. General Castings Corporation*, 3 Cir. 1950, 179 F. 2d 760.

But this power should be exercised with great reluctan when it will be difficult to secure compliance with an resulting decree or when the exercise of such power is fraught with possibilities of discord and conflict with the authorities of another country.[20]

~~Although the district court did not abuse its discretion in refusing to entertain the claims of trade-mark infringement and unfair competition occurring in Canada, we think that it was erroneous to dismiss the entire complaint. The claims of trade-mark infringement and unfair competition occurring in the United States can be clearly ascertained from the complaint.[21] However, since plaintiff does not press his American claims, and they appear to be of somewhat minor significance, we will affirm the dismissal, but allow plaintiff, if it so desires, to file an amended complaint within a period of thirty days from date of our mandate herein, stating separately the American issues.~~

The district court, therefore, did not abuse its discretion in refusing to entertain the claims of trade-mark infringement and unfair competition occurring in Canada. Were it not for the fact that plaintiff did not press its American claims, and they appear to be of somewhat minor significance, we would think it improper to dismiss the entire complaint, since we think that the claims of trade-mark infringement and unfair competition occur-

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[20] The character of the potential difficulties is illustrated by *United States v. Imperial Chemical Industries*, S. D. N. Y. 1952, 105 F. Supp. 215, and *British Nylon Spinners v. Imperial Chemical Industries* [1953], 1 Ch. 19, in which a United States court directed a British corporation to grant immunity under certain patents in Great Britain, and an English court enjoined it from taking that action. The tenderness of Canadian authorities concerning what they consider foreign interference with their domestic concerns is illustrated by the prompt Canadian legislation which followed attempts by United States courts to subpoena records of Canadian companies for use in a Sherman Act investigation. See footnote to decision below, 133 F. Supp. 522, 529, note 2.

ring in the United States can be clearly ascertained from the complaint.[21] However, under the circumstances, we will affirm the dismissal, but allow plaintiff, if it so desires, to file an amended complaint within thirty days from date of our mandate herein, stating separately the American issues.

Affirmed as modified.

Substitution above for the last full paragraph of the opinion as originally filed and printed is concurred in and approved:

(signed) JEROME N. FRANK,
JNF
(signed) HAROLD R. MEDINA,
HRM
(signed) STERRY R. WATERMAN,
SRW
Circuit Judges.

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[21] The claims of trade-mark infringement and unfair competition in the United States are predicated upon the following circumstances: (1) defendant's advertising of feminine underwear in the United States under the trade-mark "Vanity Fair" which results from the American circulation of Canadian media of communication; and (2) defendant's mail order sales of feminine underwear into the United States under the trade-mark "Vanity Fair." The issues raised by these allegations are clear and narrow.

JUDGMENT OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT.

(Rendered June 1, 1956.)

Appeal from the United States District Court for the Southern District of New York

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now hereby ordered, adjudged, and decreed that the judgment of said District Court be and it is hereby modified and, as modified, is affirmed and the action remanded in accordance with the opinion of this Court.

A. DANIEL FUSARO,
Clerk.

APPENDIX B.

INTERNATIONAL CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY.

(53 Stat. 1748, 1768.)

Convention of Union of Paris of March 20, 1883, for the Protection of Industrial Property, Revised at Brussels December 14, 1900, at Washington June 2, 1911, at The Hague November 6, 1925, and at London June 2, 1934.

ARTICLE 1

(1) The countries to which the present convention applies constitute themselves into a Union for the Protection of Industrial Property.

(2) The scope of the protection of industrial property shall include patents, utility models, industrial designs and models, trade marks, commercial names and indications of origin, or appellations of origin, as well as the repression of unfair competition.*

(3) Industrial property shall be understood in the broadest meaning and shall apply not only to industry and commerce as such, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grains, tobacco leaves, fruits, cattle, minerals, mineral waters, beers, flowers, flours.

(4) The term "patents" shall extend to the various types of industrial patents recognized by the laws of the countries of the Union, such as patents of importation, improvement patents, patents and certificates of addition, etc.

ARTICLE 2

(1) Nationals of each of the countries of the Union shall, in all other countries of the Union, as regards the protection of industrial property, enjoy the advantages

* Bold type in text indicates provisions upon which petitioner particularly relies.

that their respective laws now grant, or may hereafter grant, to their own nationals, without any prejudice to the rights specially provided for by the present convention. Consequently they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided they observe the conditions and formalities imposed upon nationals.

(2) Nevertheless, no condition as to the possession of a domicile or establishment in the country where protection is claimed can be required of those who enjoy the benefits of the Union for the enjoyment of any industrial property rights.

(3) The provisions of the legislation of each of the countries of the Union relative to judicial and administrative proceedings and to competent authority, as well as to the choice of domicile or the appointment of an authorized agent, which may be required by the laws on industrial property are expressly reserved.

ARTICLE 3

Nationals of countries not forming part of the Union who are domiciled or who have real and effective industrial or commercial establishments in the territory of one of the countries of the Union shall be assimilated to the nationals of the countries of the Union.

ARTICLE 4

A. (1) Any person who has duly applied for a patent, the registration of a utility model, industrial design or model, or trade mark in one of the countries of the Union, or his legal representative or assignee, shall enjoy for the purposes of registration in other countries a right of priority during the periods hereinafter stated.

(2) Any filing having the value of a formal national filing by virtue of the internal law of each country of the Union or of international treaties concluded among several countries of the Union shall be recognized as giving rise to a right of priority.

(B) Consequently, subsequent filing in one of the other countries of the Union before the expiration of these periods shall not be invalidated through any acts accomplished in the interval, as, for instance, by another filing, by publication of the invention or the working thereof, by the sale of copies of the design or model, or by use of the trade mark, and these facts cannot give rise to any right of third parties or any personal possession. The rights acquired by third parties before the day of the first application on which priority is based shall be reserved by the internal legislation of each country of the Union.

C. (1) The above-mentioned periods of priority shall be 12 months for patents and utility models and 6 months for industrial designs and models and for trade marks.

(2) These periods shall start from the date of filing of the first application; the day of filing is not counted in this period.

(3) If the last day of the period is a legal holiday, or a day on which the Patent Office is not open to receive applications in the country where protection is claimed, the period shall be extended until the next working day.

D. (1) Any person desiring to take advantage of the priority of a previous application must make a declaration giving particulars as to the date of such application and the country in which it was made. Each country will determine the latest date at which such declaration must be made.

(2) The particulars referred to shall be stated in the publications issued by the competent authority, and in particular in the patents issued and the specifications relating thereto.

(3) The countries of the Union may require any person making a declaration of priority to produce a copy of the application (with the specification, drawings, etc.) previously made. The copy, certified as correct by the authority receiving this application, shall not require legal authentication, and in all cases it can be filed, without fee, at any time within the period of 3 months from the filing

of the application. They may also require that the declaration later be accompanied by a certificate by the proper authority showing the date of application, and also by a translation.

(4) No other formalities may be required for the declaration of priority at the time application is filed. Each of the countries of the Union shall decide upon the consequences of the omission of the formalities prescribed by this article, but such consequences shall in no case exceed the loss of the right of priority.

(5) Further proof in support of the application may be required later.

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ARTICLE 4 *bis*

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ARTICLE 4 *ter*

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ARTICLE 5

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C (1) If in a country the use of a registered mark is compulsory, the registration can be canceled only after a reasonable period, and if the interested party cannot justify the causes of his inaction.

(2) The use of a trade mark by the owner, in a form which differs by elements not altering the distinctive character of the mark, in the form under which it was registered in one of the countries of the Union, shall not entail invalidation of the registration, nor shall it diminish the protection accorded to the mark.

(3) The simultaneous use of the same mark on identical or similar products by industrial or commercial establishments considered as joint owners of the mark according to the provisions of the national law of the country where protection is sought shall neither prevent registration nor diminish in any way the protection accorded the said mark in any country of the Union, provided the said use does

not result in inducing the public into error and is not contrary to public interest.

D. Articles shall not be required to bear any sign or mention of the patent, the utility model, or the registration of the trade mark or of the deposit of the industrial design or model for recognition of the right.

ARTICLE 5 *bis*

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ARTICLE 5 *ter*

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ARTICLE 6

A. Every trade mark duly registered in the country of origin shall be admitted for registration and protected in the form originally registered in the other countries of the Union under the reservations indicated below. These countries can demand, before proceeding to a final registration, the production of a certificate of registration in the country of origin issued by the competent authority. No legislation shall be required for this certificate.

B. (1) Nevertheless, the following marks may be refused or canceled:

1°. Those which are of such a nature as to infringe upon rights acquired by third parties in the country where protection is applied for.

2°. Those which have no distinctive character, or which consist exclusively of signs or indications which serve in trade to designate the kind, quality, quantity, destination, value, place of origin of the products, or time of production, or which have become customary in the current language, or in the bona fide and unquestioned usages of the trade in the country in which protection is sought. In arriving at a decision as to the distinctiveness of the character of a mark, all the circumstances of the case must be taken into account, and in particular the length of time that such a mark has been in use.

3°. Those which are contrary to morality or public order, especially those which are of a nature to deceive the public. It is to be understood that a mark cannot be considered as contrary to public order for the sole reason that it does not conform to some legislative requirement concerning trade marks, except in circumstances where this requirement itself concerns public order.

(2) Trade marks cannot be refused in the other countries of the Union on the sole ground that they only differ from the marks protected in the country of origin by elements not altering the distinctive character and not affecting the identity of the marks in the form under which they have been registered in the aforesaid country of origin.

C. The following shall be deemed the country of origin:

The country of the Union where the applicant has an actual and genuine industrial or commercial establishment; and, if he has not such an establishment, the country of the Union where he has his domicile; and, if he has not a domicile in the Union, the country of his nationality in the case where he is under the jurisdiction of a country of the Union.

D. When a trade mark shall have been duly registered in the country of origin, then in one or more of the other countries of the Union, each one of these national marks shall be considered, from the date on which it shall have been registered, as independent of the mark in the country of origin, provided it conforms to the internal law of the country of importation.

E. In no case shall the renewal of the registration of a trade mark in the country of origin involve the obligation of renewal of the registration of the mark in other countries of the Union in which the mark has been registered.

F. The benefits of priority shall subsist in trade-mark applications filed in the period allowed by article 4, even when the registration in the country of origin is completed only after the expiration of such period.

ARTICLE 6 *bis*

(1) The countries of the Union agree to refuse or to invalidate either administratively, if their legislation so permits, or at the request of an interested party, the registration of a trade mark which constitutes a reproduction, limitation, or translation, liable to create confusion with a mark considered by the competent authority of the country of registration to be well known there as being already a mark of a person entitled to the benefits of the present convention and used for identical or similar products. The same shall apply when the essential part of the mark constitutes a reproduction of a well-known mark or an imitation likely to cause confusion therewith.

(2) A period of at least 3 years must be granted in order to claim the cancellation of these marks. The period shall start from the date of registration of the mark.

(3) No period shall be established to claim the cancellation of marks registered in bad faith.

ARTICLE 6 *ter*

(1) The countries of the Union undertake to refuse or invalidate registration, and to prohibit by appropriate means the use, failing authorization from the competent authority, whether as a trade mark or as the components of such, of all coats of arms, flags, and other state emblems of countries of the Union, official control and guarantee signs and stamps adopted by them, and any imitation thereof from an heraldic point of view.

(2) The prohibition of official control and guarantee signs and stamps shall apply only in cases where marks which comprise them are intended to be used on merchandise of the same or a similar nature.

* * * * *

(8) Nationals of each country who are authorized to make use of state emblems, and signs and stamps of their country, may use them even if there be a similarity with those of another country.

(9) The countries of the Union undertake to prohibit the unauthorized use in trade of state coats of arms of other countries of the Union, when such use is liable to cause confusion as to the origin of the product.

(10) The preceding provisions shall not prevent the countries from exercising the right to refuse or to invalidate, by application of item 3°, paragraph (1), letter B, of article 6, marks including, without authorization, coats of arms, flags, decorations, and other state emblems or official signs and stamps adopted by a country of the Union.

ARTICLE 6 *quater*

(1) When in accordance with the laws of a country of the Union the assignment of a mark is valid only if it takes place at the same time as the transfer of the enterprise or business and goodwill to which the mark belongs, it will suffice, for the admission of the validity of such transfer, that the part of the enterprise or business and goodwill which is located in this country be transferred to the assignee with the exclusive right therein to manufacture or sell products under the mark which has been assigned.

(2) This provision shall not impose upon the countries of the Union the obligation of considering as valid the transfer of any mark whose use by the assignee would, in fact, be of such a nature as to deceive the public, especially as regards the place of origin, the nature, or the material qualities of the products to which the mark is applied.

ARTICLE 7

The nature of the goods on which the trade mark is to be used can in no case form an obstacle to the registration of the trade mark.

ARTICLE 7 *bis*

(1) The countries of the Union undertake to allow the filing of and to protect collective marks belonging to associations, the existence of which is not contrary to the

law of the country of origin, even if these associations do not possess an industrial or commercial establishment.

(2) Each country shall be the judge as to the particular conditions under which a collective mark shall be protected, and it can refuse protection if this mark is contrary to public interest.

(3) However, the protection of these marks cannot be refused to any association whose existence is not contrary to the law of the country of origin, on the ground that it is not established in the country where protection is sought, or that it is not organized in conformity with the law of that country.

ARTICLE 8

A trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trade mark.

ARTICLE 9

(1) All goods illegally bearing a trade mark or trade name shall be seized at importation into those countries of the Union where this mark or name has a right to legal protection.

(2) Seizure shall likewise be effected in the country where the mark or name was illegally applied, or in the country into which the article bearing it has been imported.

(3) The seizure shall take place at the request either of the proper government department or of any other competent authority, or of any interested party, whether an actual or a legal person, in conformity with the domestic laws of each country.

(4) The authorities shall not be bound to effect the seizure in transit.

(5) If the law of a country does not permit seizure at importation, such seizure shall be replaced by prohibition to import or by seizure within such country.

(6) If the law of any country permits neither seizure at importation, nor prohibition to import, nor seizure within the country, and until such time as this law shall be accordingly modified, these measures shall be replaced by the remedies assured to nationals, in such cases, by the law of such country.

ARTICLE 10

(1) The stipulations of the preceding article shall be applicable to every product which may falsely bear as indication of origin, the name of a specified locality or country when such indication shall be joined to a trade name of a fictitious character or used with intent to defraud.

(2) Any producer, manufacturer, or trader engaged in the production, manufacture, or trade of such goods and established either in the locality falsely designated as the place of origin, or in the district in which the locality is situated, or in the country falsely designated, or in the country where the false indication of origin is used, shall be deemed in all cases a party concerned, whether such person be actual or legal.

ARTICLE 10 *bis*

(1) The countries of the Union are bound to assure to nationals of countries of the Union an effective protection against unfair competition.

(2) Any act of competition contrary to honest practice in industrial or commercial matters constitutes an act of unfair competition.

(3) The following particularly are to be forbidden:

1°. All acts whatsoever of a nature to create confusion in any way whatsoever with the establishment, the goods, or the services of the competitor;

2°. False allegations in the conduct of trade of a nature to discredit the establishment, the goods, or the services of a competitor.

ARTICLE 10 *ter*

(1) The countries of the Union undertake to assure to the nationals of other countries of the Union appropriate legal remedies to repress effectively all acts set forth in articles 9, 10, and 10 *bis*.

(2) They undertake, moreover, to provide measures to permit syndicates and associations representing the manufacturers, producers, or merchants interested, and of which the existence is not contrary to the laws of their country, to take action in justice or before the administrative authorities, with a view to the repression of the acts set forth in articles 9, 10, and 10 *bis*, so far as the law of the country in which protection is claimed permits such action to the syndicates and associations of that country.

* * * * *

(Articles 11, 12, 13, 14, 15, 16 and 16 *bis* are omitted.)

ARTICLE 17

The execution of the reciprocal engagements contained in the present convention shall be subordinated, insofar as necessary, to the observance of the formalities and rules established by the constitutional laws of those of the countries of the Union which are bound to enforce the same, which they undertake to do with as little delay as possible.

ARTICLE 17 *bis*

(1) The convention shall remain in force for an unlimited time, until the expiration of 1 year from the date of its denunciation.

(2) This denunciation shall be addressed to the Government of the Swiss Confederation. It shall be effective only for the country in whose name it shall have been made, the convention remaining in operation as regards the other countries of the Union.

ARTICLE 18

(1) The present act shall be ratified and the instruments of ratification shall be deposited in London not later than the 1st of July 1938. It shall come into force, between the countries in whose names it shall have been ratified, 1 month after such date. However, if before July 1, 1938, it is ratified in the name of at least six countries, it shall come into force between those countries 1 month after the Government of the Swiss Confederation has notified them of the deposit of the sixth ratification, and for the countries in whose names it shall have been ratified thereafter, 1 month after the notification of each of these ratifications.

(2) The countries in whose names no instruments of ratification shall have been deposited within the period of time contemplated in the preceding paragraph shall be permitted to adhere under the terms of article 16.

(3) The present act shall replace, as regards relations between the countries to which it applies, the Convention of the Union of Paris of 1883 and the subsequent acts of revision.

(4) As regards the countries to which the present act does not apply, but to which the Convention of the Union of Paris, as revised at The Hague in 1925, does apply, the latter shall remain in force.

(5) Likewise, as regards the countries to which neither the present act nor the Convention of the Union of Paris, as revised at The Hague, applies, the Convention of the Union of Paris as revised in Washington in 1911 shall remain in force.

ARTICLE 19

The present act shall be signed in a single copy, which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland. A certified copy shall be forwarded by the latter to each of the governments of the countries of the Union.

Done at London in a single copy, on June 2, 1934.

LANHAM ACT

(15 U. S. C., Chapter 22)

AN ACT

To provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—THE PRINCIPAL REGISTER

SECTION 1. The owner of a trade-mark used in commerce may register his trade-mark under this Act on the principal register hereby established:

(a) By filing in the Patent Office—

* * * * *

(The remainder of Title I and all of Titles II to V, inclusive, are omitted.)

TITLE VI—REMEDIES

Sec. 32. (1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such work and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided, except that under subsection (b) hereof the registrant shall not be entitled to re-

cover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers.

* * * * *

SEC. 33. (a) Any certificate of registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this Act and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the certificate subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

(b) If the right to use the registered mark has become incontestable under section 15 hereof, the certificate shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark has been assigned and is being used, by or with the permission of the assignee, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive

of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to the publication of the registered mark under subsection (a) or (c) of section 12 of this Act: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved.

(6) That the mark whose use is charged as an infringement was registered and used prior to the publication under subsection (a) or (c) of section 12 of this Act of the registered mark of the registrant, and not abandoned: *Provided, however,* That this defense or defect shall apply only where the said mark has been published pursuant to subsection (c) of section 12 and shall apply only for the area in which the mark was used prior to the date of publication of the registrant's mark under subsection (a) or (c) of section 12 of this Act.

(7) That the mark has been or is being used to violate the antitrust laws of the United States.

(15 U. S. C. § 1115)

Sec. 34. The several courts vested with jurisdiction of civil actions arising under this Act shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the

United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

The said courts shall have jurisdiction to enforce said injunction, as herein provided, as fully as if the injunction had been granted by the district court in which it is sought to be enforced. The clerk of the court or judge granting the injunction shall, when required to do so by the court before which application to enforce said injunction is made, transfer without delay to said court a certified copy of all papers on file in his office upon which said injunction was granted.

* * * * *

SEC. 35. When a violation of any right of the registrant of a mark registered in the Patent Office shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, subject to the provisions of sections 29 and 31(1)(b), and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty.

(15 U. S. C. § 1117)

SEC. 36. In any action arising under this Act, in which a violation of any right of the registrant of a mark registered in the Patent Office shall have been established, the court may order that all labels, signs, prints, packages, wrappers, receptacles, and advertisements in the possession of the defendant, bearing the registered mark or any reproduction, counterfeit, copy, or colorable imitation thereof, and all plates, molds, matrices, and other means of making the same, shall be delivered up and destroyed.

(15 U. S. C. § 1118)

SEC. 37. In any action involving a registered mark the court may determine the right to registration, order the cancellation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Commissioner, who shall make appropriate entry upon the records of the Patent Office, and shall be controlled thereby.

(15 U. S. C. § 1119)

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SEC. 39. The district and territorial courts of the United States shall have original jurisdiction, the circuit courts of appeal of the United States and the United States Court of Appeals for the District of Columbia shall have appellate jurisdiction, of all actions arising under this Act, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.

(15 U. S. C. § 1121)

SEC. 40. Writs of certiorari may be granted by the Supreme Court of the United States for the review of cases arising under this Act in the same manner as provided for in cases under the patent laws.

(15 U. S. C. § 1122)

* * * * *

TITLE VII—IMPORTATION FORBIDDEN OF GOODS BEARING INFRINGING MARKS OR NAMES

SEC. 42. That no article of imported merchandise which shall copy or simulate the name of the any domestic manufacture, or manufacturer, or trader, or of any manufacturer or trader located in any foreign country which, by treaty, convention, or law affords similar privileges to citizens of the United States, or which shall copy or simulate a trade-mark registered in accordance with the provisions of this Act or shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any customhouse of the United States; and, in order to aid the officers of the customs in enforcing this prohibition, any domestic manufacturer or trader, and any foreign manufacturer or trader, who is entitled under the provisions of a treaty, convention, declaration, or agreement between the United States and any foreign country to the advantages afforded by law to citizens of the United States in respect to trade-marks and commercial names, may require his name and residence, and the name of the locality in which his goods are manufactured, and a copy of the certificate of registration of his trade-mark, issued in accordance with the provisions of this Act, to be recorded in books which shall be kept for this purpose in the Department of the Treasury, under such regulations as the Secretary of the Treasury shall prescribe, and may furnish to the Department facsimiles of his name, the name of the locality in which his goods are manufactured, or of his registered trade-mark, and thereupon the Secretary of the Treasury shall cause one or more copies of the same to be transmitted to each collector or other proper officer of customs.

(15 U. S. C. 1124)

TITLE VIII—FALSE DESIGNATIONS OF ORIGIN AND FALSE DESCRIPTIONS FORBIDDEN

SEC. 43. (a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

(b) Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this Act in cases involving goods refused entry or seized.

(15 U. S. C. § 1125)

TITLE IX—INTERNATIONAL CONVENTIONS

SEC. 44. (a) The Commissioner shall keep a register of all marks communicated to him by the international bureaus provided for by the conventions for the protection of industrial property, trade-marks, trade and commercial names, and the repression of unfair competition to which the United States is or may become a party, and upon the payment of the fees required by such conventions and the fees herein prescribed may place the marks so com-

municated upon such register. This register shall show a facsimile of the mark or trade or commercial name; the name, citizenship, and address of the registrant; the number, date, and place of the first registration of the mark, including the dates on which application for such registration was filed and granted and the term of such registration; a list of goods or services to which the mark is applied as shown by the registration in the country of origin, and such other data as may be useful concerning the mark. This register shall be a continuation of the register provided in section 1 (a) of the Act of March 19, 1920.

(b) Persons who are nationals of, domiciled in, or have a bona fide and effective business or commercial establishment in any foreign country, which is a party to (1) the International Convention for the Protection of Industrial Property, signed at Paris on March 20, 1883; or (2) the General Inter-American Convention for Trade Mark and Commercial Protection signed at Washington on February 20, 1929; or (3) any other convention or treaty relating to trade-marks, trade or commercial names, or the repression of unfair competition to which the United States is a party, shall be entitled to the benefits and subject to the provisions of this Act to the extent and under the conditions essential to give effect to any such conventions and treaties so long as the United States shall continue to be a party thereto, except as provided in the following paragraphs of this section.

(c) No registration of a mark in the United States by a person described in paragraph (b) of this section shall be granted until such mark has been registered in the country of origin of the applicant, unless the applicant alleges use in commerce.

For the purposes of this section, the country of origin of the applicant is the country in which he has a bona fide and effective industrial or commercial establishment, or if he has not such an establishment the country in which he is domiciled, or if he has not a domicile in any

of the countries described in paragraph (b) of this section, the country of which he is a national.

(d) An application for registration of a mark under sections 1, 2, 3, 4, or 23 of this Act filed by a person described in paragraph (b) of this section who has previously duly filed an application for registration of the same mark in one of the countries described in paragraph (b) shall be accorded the same force and effect as would be accorded to the same application if filed in the United States on the same date on which the application was first filed in such foreign country: Provided, That—

(1) The application in the United States is filed within six months from the date on which the application was first filed in the foreign country;

(2) the application conforms as nearly as practicable to the requirements of this Act, but use in commerce need not be alleged;

(3) the rights acquired by third parties before the date of the filing of the first application in the foreign country shall in no way be affected by a registration obtained on an application filed under this subsection (d);

(4) nothing in this subsection (d) shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which his mark was registered in this country unless the registration is based on use in commerce.

(e) A mark duly registered in the country of origin of the foreign applicant may be registered on the principal register if eligible, otherwise on the supplemental register herein provided. The application therefor shall be accompanied by a certified copy of the application for or registration in the country of origin of the applicant.

(f) The registration of a mark under the provisions of paragraphs (c), (d), and (e) of this section by a person described in paragraph (b) shall be independent of the registration in the country of origin and the duration,

validity, or transfer in the United States of such registration shall be governed by the provisions of this Act.

(g) Trade names or commercial names of persons described in paragraph (b) of this section shall be protected without the obligation of filing or registration whether or not they form parts of marks.

(h) Any person designated in paragraph (b) of this section as entitled to the benefits and subject to the provisions of this Act shall be entitled to effective protection against unfair competition, and the remedies provided herein for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.

(i) Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in paragraph (b) hereof.

(15 U. S. C. § 1126)

TITLE X—CONSTRUCTION AND DEFINITIONS

SEC. 45. In the construction of this Act, unless the contrary is plainly apparent from the context—

The United States includes and embraces all territory which is under its jurisdiction and control.

The word "commerce" means all commerce which may lawfully be regulated by Congress.

The term "principal register" refers to the register provided for by sections 1 through 22 hereof, and the term "supplemental register" refers to the register provided for by sections 23 through 28 hereof.

The term "person" and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this Act includes a juristic person as well as a natural person. The term "juristic person" includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law.

The terms "applicant" and "registrant" embrace the legal representatives and successors and assigns of such applicant or registrant.

The term "Commissioner" means the Commissioner of Patents.

* * * * *

The terms "trade name" and "commercial name" include individual names and surnames, firm names and trade names used by manufacturers, industrialists, merchants, agriculturists, and others to identify their business, vocations, or occupations; the names or titles lawfully adopted and used by persons, firms, associations, corporations, companies, unions, and any manufacturing, industrial, commercial, agricultural, or other organizations engaged in trade or commerce and capable of suing and being sued in a court of law.

The term "trade-mark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

* * * * *

The term "mark" includes any trade-mark, service mark, collective mark, or certification mark entitled to registration under this Act whether registered or not.

For the purposes of this Act a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce * * *.

A mark shall be deemed to be "abandoned"—

(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie abandonment.

(b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin.

The term "colorable imitation" includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive purchasers.

The term "registered mark" means a mark registered in the United States Patent Office under this Act or under the Act of March 3, 1881, or the Act of February 20, 1905, or the Act of March 19, 1920. The phrase "marks registered in the Patent Office" means registered marks.

The term "Act of March 3, 1881," "Act of February 20, 1905," or "Act of March 19, 1920," means the respective Act as amended.

A "counterfeit" is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.

Words used in the singular include the plural and vice versa.

The intent of this Act is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered into between the United States and foreign nations.

(15 U. S. C. § 1127)

TITLE XI—REPEAL OF PREVIOUS ACTS

SEC. 46. (a) This Act shall be in force and take effect one year from its enactment, but except as otherwise herein specifically provided shall not affect any suit, proceeding, or appeal then pending. All Acts and parts of Acts inconsistent herewith are hereby repealed effective one year from the enactment hereof, including the following Acts insofar as they are inconsistent herewith: The Act of Congress approved March 3, 1881, entitled "An Act to

authorize the registration of trade-marks and protect the same"; the Act approved August 5, 1882, entitled "An Act relating to the registration of trade-marks"; the Act of February 20, 1905 (U. S. C., title 15, secs. 81 to 109, inclusive), entitled "An Act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States or with Indian tribes, and to protect the same", and the amendments thereto by the Acts of May 4, 1906 (U. S. C., title 15, secs. 131 and 132; 34 Stat. 169)), March 2, 1907 (34 Stat. 1251, 1252), February 18, 1909 (35 Stat. 627, 628), February 18, 1911 (36 Stat. 918), January 8, 1913 (37 Stat. 649), June 7, 1924 (43 Stat. 647), March 4, 1925 (43 Stat. 1268, 1269), April 11, 1930 (46 Stat. 155), June 10, 1938 (Public, Numbered 586, Seventy-fifth Congress, ch. 332, third session); the Act of March 19, 1920 (U. S. C., title 15, secs. 121 to 128, inclusive), entitled "An Act to give effect to certain provisions of the convention for the protection of trade-marks and commercial names made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes", and the amendments thereto, including the Act of June 10, 1938 (Public, Numbered 586, Seventy-fifth Congress, ch. 332, third sessions): *Provided*, That this repeal shall not affect the validity of registrations granted or applied for under any of said Acts prior to the effective date of this Act, or rights or remedies thereunder except as provided in sections 8, 12, 14, 15, and 47 of this Act; but nothing contained in this Act shall be construed as limiting, restricting, modifying, or repealing any statute in force on the effective date of this Act which does not relate to trade-marks, or as restricting or increasing the authority of any Federal department or regulatory agency except as may be specifically provided in this Act.

(b) Registrations now existing under the Act of March 3, 1881, or the Act of February 20, 1905, shall continue in full force and effect for the unexpired terms thereof and may be renewed under the provisions of section 9 of this Act. Such registrations and the renewals thereof shall be subject to and shall be entitled to the benefits of

the provisions of this Act to the same extent and with the same force and effect as though registered on the principal register established by this Act except as limited in sections 8, 12, 14, and 15 of this Act. Marks registered under the "ten-year proviso" of section 5 of the Act of February 20, 1905, as amended, shall be deemed to have become distinctive of the registrant's goods in commerce under paragraph (f) of section 2 of this Act and may be renewed under section 9 hereof as marks coming within said paragraph.

Registrations now existing under the Act of March 19, 1920, shall expire six months after the effective date of this Act, or twenty years from the dates of their registrations, whichever date is later. Such registrations shall be subject to and entitled to the benefits of the provisions of this Act relating to marks registered on the supplemental register established by this Act, and may not be renewed unless renewal is required to support foreign registrations. In that event renewal may be effected on the supplemental register under the provisions of section 9 of this Act.

Marks registered under previous Acts may, if eligible, also be registered under this Act.

* * * * *

SEC. 49. Nothing herein shall adversely affect the rights or the enforcement of rights in marks acquired in good faith prior to the effective date of this Act.

SEC. 50. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of the Act shall not be affected thereby.

Approved July 5, 1946.

1905 TRADE MARK ACT.

(Title 15 U. S. C. §§ 81 to 109; 33 Stat. 730.)

Sec. 27. U. S. C., title 15, sec. 106. *Articles imported, simulating trade name or trade-mark, not admitted to entry.* That no article of imported merchandise which shall copy or simulate the name of any domestic manufacture, or manufacturer, or trade, or of any manufacturer or trader located in any foreign country which, by treaty, convention, or law affords similar privileges to citizens of the United States, or which shall copy or simulate a trade-mark registered in accordance with the provisions of this act or shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any customhouse of the United States; and, in order to aid the officers of the customs in enforcing this prohibition, any domestic manufacturer or trader, and any foreign manufacturer or trader, who is entitled under the provisions of a treaty, convention, declaration, or agreement between the United States and any foreign country to the advantages afforded by law to citizens of the United States in respect to trade-marks and commercial names, may require his name and residence, and the name of the locality in which his goods are manufactured, and a copy of the certificate of registration of his trade-mark, issued in accordance with the provisions of this act, to be recorded in books which shall be kept for this purpose in the Department of the Treasury, under such regulations as the Secretary of the Treasury shall prescribe, and may furnish to the department facsimiles of his name, the name of the locality in which his goods are manufactured, or of his registered trade-mark, and thereupon the Secretary of the Treasury shall cause one or more copies of the same to be transmitted to each collector or other proper officer of customs.

PERTINENT SECTIONS OF U. S. JUDICIAL CODE. (TITLE 28 U. S. C.)

§ 1331. Federal Question; Amount in Controversy.

The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum or value of $3,000, exclusive of interest and costs, and arises under the Constitution, laws or treaties of the United States.

§ 1332. Diversity of Citizenship; Amount in Controversy.

(a) The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of $3,000 exclusive of interest and costs, and is between:

(1) Citizens of different States;

(2) Citizens of a State, and foreign states or citizens or subjects thereof;

(3) Citizens of different States and in which foreign states or citizens or subjects thereof are additional parties.

(b) The word "States," as used in this section, includes the Territories and the District of Columbia.

§ 1338. Patents, Copyrights, Trade-Marks, and Unfair Competition.

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trade-mark laws.

CANADIAN ACT OF 1932.
22-23 George V

CHAP. 38.

An Act respecting Unfair Competition in Trade and Commerce.

[*Assented to 13th May, 1932.*]

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. This Act may be cited as *The Unfair Competition Act, 1932.*

PRELIMINARY.

2. In this Act, unless the context otherwise requires:

(a) "Convention" means the Convention of the Union of Paris made on 20th March, 1883, as revised at Brussels on 14th December, 1900, at Washington on 2nd June, 1914, and at The Hague on 6th November, 1925, and any amendments to such Convention hereafter made and adhered to by His Majesty on behalf of the Dominion of Canada;

(b) "Country of the Union" means any country which has acceded to the Union for the Protection of Industrial Property as the same is now constituted under the Convention hereinbefore defined;

* * * * *

(k) "Similar," in relation to trade marks, trade names or distinguishing guises, describes marks, names or guises so resembling each other or so clearly suggesting the idea conveyed by each other that the contemporaneous use of both in the same area in association with wares of the same kind would be likely to cause dealers in and/or users of such wares to infer that the same person assumed responsibility for their character or quality, for the conditions under which

or the class of persons by whom they were produced, or for their place of origin;

* * * * *

(m) "Trade mark" means a symbol which has become adapted to distinguish particular wares falling within a general category from other wares falling within the same category, and is used by any person in association with wares entering into trade or commerce for the purpose of indicating to dealers in, and/or users of such wares that they have been manufactured, sold, leased or hired by him, or that they are of a defined standard or have been produced under defined working conditions, by a defined class of persons, or in a defined territorial area, and includes any distinguishing guise capable of constituting a trade mark;

(n) "Trade name" means the name under which any business is carried on, whether the same is the name of a corporation, a partnership or an individual;

(o) "Word mark" means a trade mark consisting only of a series of letters and/or numerals and depending for its distinctiveness upon the idea or sound suggested by the sequence of the letters and/or numerals and their separation into groups, independently of the form of the letters or numerals severally or as a series.

UNFAIR COMPETITION.

3. No person shall knowingly adopt for use in Canada in connection with any wares any trade mark or any distinguishing guise which

(a) is already in use in Canada by any other person and which is registered pursuant to the provisions of this Act as a trade mark or distinguishing guise for the same or similar wares;

(b) is already in use by any other person in any country of the Union other than Canada as a trade

mark or distinguishing guise for the same or similar wares, and is known in Canada in association with such wares by reason either of the distribution of the wares in Canada or of their advertisement therein in any printed publication circulated in the ordinary course among potential dealers in and/or users of such wares in Canada; or

(c) is similar to any trade mark or distinguishing guise in use, or in use and known as aforesaid.

4. (1) The person who, in association with wares, first uses or makes known in Canada, as provided in the last preceding section, a trade mark or a distinguishing guise capable of constituting a trade mark, shall be entitled to the exclusive use in Canada of such trade mark or distinguishing guise in association with such wares, provided that such trade mark is recorded in the register existing under the *Trade Mark and Design Act* at the date of the coming into force of this Act, or provided that in compliance with the provisions of this Act he makes application for the registration of such trade mark within six months of the date on which this Act comes into force, or of the date of his first use thereof in Canada, or of the date upon which the trade mark or distinguishing guise was first made known in Canada, as provided in the last preceding section, and thereafter obtains and maintains registration thereof under the provisions of this Act.

(2) The use of a trade mark or a distinguishing guise capable of constituting a trade mark by a person who is not registered as the owner thereof pursuant to the provisions of this Act shall not confer upon such person any right, title or interest therein as against the person who is registered as the owner of the same or a similar trade mark or distinguishing guise.

(3) Notwithstanding the provisions of subsection one of this section, the person who first uses or makes known in Canada, in association with wares a trade mark or a distinguishing guise capable of constituting a trade mark, may apply for and secure registration thereof after the

expiration of any of the periods of six months specified by subsection one, provided the same or a similar trade mark or distinguishing guise has not been registered by another for use in association with the same or similar wares, but such application shall not be allowed or the registration of such trade mark made before the expiration of a period of six months from the date of such application.

(4) No person shall institute any proceedings in any court to prevent the infringement of any trade mark unless such trade mark is recorded in the register maintained pursuant to this Act.

5. Except as thereunto authorized by the registered owner thereof, no person shall sell, distribute or advertise in Canada, any wares in association with any trade mark or distinguishing guise which, pursuant to the provisions of this Act, has been adopted and registered by any other person for use in association with the same or similar wares.

6. For the purposes of this Act a trade mark shall be deemed to have been or to be used in association with wares if, by its being marked on the wares themselves or on the packages in which they are distributed, or by its being in any other manner so associated with the wares at the time of the transfer of the property therein, or of the possession thereof, in the ordinary course of trade and commerce, notice of the association is then given to the persons to whom the property or possession is transferred.

7. No person shall knowingly adopt for use as the name under which he carries on business, or knowingly adopt for use in connection with any business, any trade name which at the time of his adoption thereof is the name, or is similar to the name, in use by any other person as the trade name of a business of the same general character carried on in Canada, or of such a business carried on elsewhere if its name is known in Canada by reason of the distribution therein of wares manufactured or handled by such person under such trade name, or of the advertise-

ment of such wares in Canada in association with such trade name, in any printed publication circulated in the ordinary course among potential dealers in and/or users of similar wares in Canada.

8. No person shall be entitled to continue to use in Canada any trade name which he knew, at the time of his adoption thereof, was, or was similar to, the trade name of a business of the same general character then being carried on in Canada, or of a business carried on elsewhere than in Canada if its name was then known in Canada for one of the reasons aforesaid.

* * * * *

10. Any person who adopts a trade mark, trade name or distinguishing guise identical with or similar to a trade mark, trade name or distinguishing guise which was in use, or in use and known as aforesaid, shall be presumed to have knowingly adopted the same unless it is established either

(a) that, in the case of a trade mark, the ownership thereof in Canada passed to the person by whom the same was adopted, or, in the case of a trade name or distinguishing guise not being a trade mark, that the same was adopted with the consent of the person by whom the same was in use; or

(b) that, at the time of the adoption of the trade mark, trade name or distinguishing guise, the person who adopted it was in ignorance of the use of the same or of a similar unregistered trade mark or a similar trade name or distinguishing guise, and that in adopting it the person by whom it was adopted acted in good faith and believed himself to be entitled to adopt and use it; or

(c) that the person by whom such trade mark, trade name or distinguishing guise was adopted has continuously used the same in the ordinary course of his business and in substantially the manner complained of during the five years immediately before the commencement of the proceedings.

11. No person shall, in the course of his business,

(a) make any false statement tending to discredit the wares of a competitor;

(b) direct public attention to his wares in such a way that, at the time he commenced so to direct attention to them, it might be reasonably apprehended that his course of conduct was likely to create confusion in Canada between his wares and those of a competitor;

(c) adopt any other business practice contrary to honest industrial and commercial usage.

* * * * *

23. (1) The register now existing under the *Trade Mark and Design Act* shall form part of the register maintained pursuant to this Act, and, subject as hereinafter provided, all entries therein shall hereafter be governed by the provisions of this Act, but shall not, if properly made under the law in force at the time they were made, be subject to be expunged or amended only because they might not properly have been made hereunder.

(2) The Registrar may at any time, and shall at the request of any applicant for the registration of a trade mark under this Act, by notice in writing require the owner of any trade mark or union label on the register at the date of the coming into force of this Act to furnish to him within four months from the date of the notice the information which would have been required on an application for the registration of such trade mark under this Act.

(3) If such information is not furnished pursuant to such notice, the Registrar shall by a further notice, fix a reasonable time within which, if the information is not furnished, the record of the registration shall be liable to be expunged, and it may be expunged accordingly by the Registrar if no objection is made by the owner of the mark, or by judgment, declaration or order of the Exchequer Court of Canada if he enters an objection.

(4) Any such notice as aforesaid shall be deemed to have been sufficiently given if sent to the person appearing from the record to be the owner of such mark addressed to him at his address as stated in the application for the registration of the mark or for the last renewal thereof, and if any other later or more accurate address is known to the Registrar, at such later or more accurate address, and also addressed to him in care of the person to whom the certificate of registration or of the last renewal thereof was sent at the time of its issue.

(5) Marks registered before the coming into force of this Act shall be treated as word marks or as design marks according to the following rules:

(a) Any mark consisting of words and/or numerals only without any indication of a special form or appearance shall be deemed to be a word mark;

(b) Any other mark consisting of words and/or numerals only shall be deemed to be a word mark if at the date of its registration the words and/or numerals would have been registrable independently of any defined special form or appearance and shall also be deemed to be a design mark for reading matter presenting the special form or appearance defined;

(c) Any mark including words and/or numerals in combination with other features shall be deemed to be a design mark having the features described in the application therefor but without any meaning being attributed to the words or numerals, which shall, however, also be deemed to constitute a word mark if and so far as they would at the date of registration have been registrable independently of any defined form or appearance and without being combined with any other feature;

(d) Any other mark shall be deemed to be a design mark having the features described in the application therefor.

* * * * *

26. (1) Subject as otherwise provided in this Act, a word mark shall be registrable if it

(a) does not contain more than thirty letters and/or numerals divided into not more than four groups;

(b) is not the name of a person, firm or corporation;

(c) is not, to an English or French speaking person, clearly descriptive or misdescriptive of the character or quality of the wares in connection with which it is proposed to be used, or of the conditions of, or the persons employed in, their production, or of their place of origin;

(d) would not if sounded be so descriptive or misdescriptive to an English or French speaking person;

(e) is not the name in any language of any of the wares in connection with which it is to be used;

(f) is not similar to, or to a possible translation into English or French of, some other word mark already registered for use in connection with similar wares; and

(g) is not such as to suggest the name in French or English of some feature of a design mark already registered for use in connection with similar wares which is so characteristic of the design mark that its name would not be unlikely to be used to define or describe the wares in connection with which the design mark is used.

(2) An application for the registration of a word mark otherwise registrable shall not be refused on the ground that the mark consists of or includes a series of letters or numerals which also constitute or form part of the name of the firm or corporation by which the application for registration is made.

* * * * *

(28) (1) Notwithstanding anything hereinbefore contained:—

* * * * *

(d) A word or group of words, which the applicant or his predecessor in title, without being guilty of any act of unfair competition, has already caused to be duly and validly registered as a trade mark in the country of origin of such registration, shall, although otherwise unregistrable by reason of its or their form, sound or meaning, be registrable under this Act provided (i) that its use as a trade mark is not prohibited by this Act; (ii) that it is not calculated to deceive nor otherwise contrary to some law or regulation directly concerned with the maintenance of public order; (iii) that it is not in conflict with any mark already registered for similar wares; (iv) that having regard to all the circumstances, including the length of time its use has continued, it cannot be said to be wholly without distinctive character; (v) that it does not include the personal or trade name of any person domiciled or carrying on business in Canada.

* * * * *

42. If the person who at any time appears from the record of the registration of a trade mark to be the owner of such mark represents to the Registrar that any amendment is required to any statement theretofore recorded relating to the wares in which the owner of the mark is commercially concerned, or to the use of the mark, the address of the owner, or the person upon whom service may be made of proceedings in respect of the registration, the record shall, subject as hereinafter provided, be amended or added to accordingly.

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CANADIAN TRADE MARKS ACT OF 1953.

(1-2 Eliz. II, Chapter 49)

1-2 Elizabeth II

CHAP. 49

An Act relating to Trade Marks and Unfair Competition.

[*Assented to 14th May, 1953.*]

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Short Title

1. This Act may be cited as the *Trade Marks Act*.

Interpretation

2. In this Act,

(a) "certification mark" means a mark that is used for the purpose of distinguishing or so as to distinguish wares or services that are of a defined standard with respect to

(i) the character or quality of the wares or services,

(ii) the working conditions under which the wares have been produced or the services performed,

(iii) the class of persons by whom the wares have been produced or the services performed, or

(iv) the area within which the wares have been produced or the services performed,

from wares or services that are not of such a defined standard;

(b) "confusing" when applied as an adjective to a trade mark or trade name, means a trade mark or trade name the use of which would cause confusion in the manner and circumstances described in section 6;

(c) "Convention" means the Convention of the Union of Paris made on the 20th day of March, 1883, and any amendments and revisions thereof made before or after the coming into force of this Act to which Canada is a party;

(d) "country of origin" means

(i) the country of the Union in which the applicant for registration of a trade mark had at the date of the application a real and effective industrial or commercial establishment, or

(ii) if the applicant did not at the date of the application have in a country of the Union an establishment as described in subparagraph (i), the country of the Union where he on that date had his domicile, or

(iii) if the applicant did not at the date of the application have in a country of the Union an establishment as described in subparagraph (i) or a domicile as described in subparagraph (ii), the country of the Union of which he was on that date a citizen or national;

(e) "country of the Union" means any country that is a member of the Union for the Protection of Industrial Property constituted under the Convention;

(f) "distinctive" in relation to a trade mark means a trade mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them;

(g) "distinguishing guise" means

(i) a shaping of wares or their containers, or

(ii) a mode of wrapping or packaging wares

the appearance of which is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or per-

formed by him from those manufactured, sold, leased, hired or performed by others;

(h) "owner" in relation to a certification mark means the person by whom the defined standard has been established;

(i) "package" includes any container or holder ordinarily associated with wares at the time of the transfer of the property in or possession of the wares in the course of trade;

(j) "person" includes any lawful trade union and any lawful association engaged in trade or business or the promotion thereof, and the administrative authority of any country, state, province, municipality or other organized administrative area;

(k) "person interested" includes any person who is affected or reasonably apprehends that he may be affected by any entry in the register, or by any act or omission or contemplated act or omission under or contrary to the provisions of this Act, and includes the Attorney General of Canada;

(l) "prescribed" means prescribed by or under the regulations;

(m) "proposed trade mark" means a mark that is proposed to be used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others;

(n) "register" means the register kept under section 26;

(o) "registered trade mark" means a trade mark that is on the register;

(p) "registered user" means a person registered as such under section 49;

(q) "Registrar" means the Registrar of Trade Marks appointed under this Act;

(r) "related companies" means companies that are members of a group of two or more companies one of which, directly or indirectly, owns or controls a majority of the issued voting stock of the others;

(s) "representative for service" means the person or firm named under paragraph *(g)* of section 29, subsection (3) of section 37, paragraph *(a)* of subsection (1) of section 40, or subsection (1) of section 41;

(t) "trade mark" means

(i) a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,

(ii) a certification mark,

(iii) a distinguishing guise, or

(iv) a proposed trade mark;

(u) "trade name" means the name under which any business is carried on, whether or not it is the name of a corporation, a partnership or an individual;

(v) "use" in relation to a trade mark, means any use that by section 4 is deemed to be a use in association with wares or services;

(w) "wares" includes printed publications.

3. A trade mark is deemed to have been adopted by a person when he or his predecessor in title commenced to use it in Canada or to make it known in Canada or, if he or such predecessor had not previously so used it or made it known, when he or such predecessor filed an application for its registration in Canada.

4. (1) A trade mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of such wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other

manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

(2) A trade mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of such services.

(3) A trade mark that is marked in Canada on wares or on the packages in which they are contained is, when such wares are exported from Canada, deemed to be used in Canada in association with such wares.

5. A trade mark is deemed to be made known in Canada by a person only if it is used by such person in a country of the Union, other than Canada, in association with wares or services, and

(a) such wares are distributed in association with it in Canada, or

(b) such wares or services are advertised in association with it in

(i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of such wares or services, or

(ii) radio broadcasts, as defined in the *Radio Act*, ordinarily received in Canada by potential dealers in or users of such wares or services,

and it has become well known in Canada by reason of such distribution or advertising.

6. (1) For the purposes of this Act a trade mark or trade name is confusing with another trade mark or trade name if the use of such first mentioned trade mark or trade name would cause confusion with such last mentioned trade mark or trade name in the manner and circumstances described in this section.

(2) The use of a trade mark causes confusion with another trade mark if the use of both trade marks in the same area would be likely to lead to the inference that the

wares or services associated with such trade marks are manufactured, sold, leased, hired or performed by the same person, whether or not such wares or services are of the same general class.

(3) The use of a trade mark causes confusion with a trade name if the use of both the trade mark and trade name in the same area would be likely to lead to the inference that the wares or services associated with the trade mark and those associated with the business carried on under such trade name are manufactured, sold, leased, hired or performed by the same person, whether or not such wares or services are of the same general class.

(4) The use of a trade name causes confusion with a trade mark if the use of both the trade name and the trade mark in the same area would be likely to lead to the inference that the wares or services associated with the business carried on under such trade name and those associated with such trade mark are manufactured, sold, leased, hired or performed by the same person, whether or not such wares or services are of the same general class.

(5) In determining whether trade marks or trade names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(a) the inherent distinctiveness of the trade marks or trade names and the extent to which they have become known;

(b) the length of time the trade marks or trade names have been in use;

(c) the nature of the wares, services or business;

(d) the nature of the trade; and

(e) the degree of resemblance between the trade marks or trade names in appearance or sound or in the ideas suggested by them.

UNFAIR COMPETITION AND PROHIBITED MARKS.

7. No person shall

(a) make a false or misleading statement tending to discredit the business, wares or services of a competitor;

(b) direct public attention to his wares, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his wares, services or business and the wares, services or business of another;

(c) pass off other wares or services as and for those ordered or requested;

(d) make use, in association with wares or services, of any description that is false in a material respect and likely to mislead the public as to

(i) the character, quality, quantity or composition,

(ii) the geographical origin, or

(iii) the mode of the manufacture, production or performance

of such wares or services; or

(e) do any other act or adopt any other business practice contrary to honest industrial or commercial usage in Canada.

* * * * *

10. Where any mark has by ordinary and *bona fide* commercial usage become recognized in Canada as designating the kind, quality, quantity, destination, value, place of origin or date of production of any wares or services, no person shall adopt it as a trade mark in association with such wares or services or others of the same general class or use it in a way likely to mislead, nor shall any person so adopt or so use any mark so nearly resembling such mark as to be likely to be mistaken therefor.

11. No person shall use in connection with a business as a trade mark or otherwise, any mark adopted contrary to section 9 or 10 of this Act or contrary to section 13 or 14 of *The Unfair Competition Act, 1932* or contrary to section 13 or 14 of the *Unfair Competition Act*, chapter 274 of the Revised Statutes of Canada, 1952.

REGISTRABLE TRADE MARKS.

12. (1) Subject to section 13, a trade mark is registrable if it is not

(a) a word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years;

(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French languages of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

(c) the name in any language of any of the wares or services in connection with which it is used or proposed to be used;

(d) confusing with a registered trade mark; or

(e) a mark of which the adoption is prohibited by section 9 or 10.

(2) A trade mark that is not registrable by reason of paragraph *(a)* or *(b)* of subsection (1) is registrable if it has been so used in Canada by the applicant or his predecessor in title as to have become distinctive at the date of filing an application for its registration.

* * * * *

14. (1) Notwithstanding section 12, a trade mark that the applicant or his predecessor in title has caused to be duly registered in his country of origin is registrable if, in Canada,

(*a*) it is not confusing with a registered trade mark;

(*b*) it is not without distinctive character, having regard to all the circumstances of the case including the length of time during which it has been used in any country;

(*c*) it is not contrary to morality or public order or of such a nature as to deceive the public; or

(*d*) it is not a trade mark of which the adoption is prohibited by section 9 or 10.

(2) A trade mark that differs from the trade mark registered in the country of origin only by elements that do not alter its distinctive character or affect its identity in the form under which it is registered in the country of origin shall be regarded for the purpose of subsection (1) as the trade mark so registered.

15. (1) Notwithstanding section 12 or 14, confusing trade marks are registrable if the applicant is the owner of all such trade marks, which shall be known as associated trade marks.

(2) Upon the registration of any trade mark associated with any other registered trade mark, a note of the registration of each trade mark shall be made on the record of registration of the other trade mark.

(3) No amendment of the register recording any change in the ownership or in the name or address of the owner of any one of a group of associated trade marks shall be made unless the Registrar is satisfied that the same change has occurred with respect to all the trade marks in such group, and corresponding entries are made contemporaneously with respect to all such trade marks.

PERSONS ENTITLED TO REGISTRATION OF TRADE MARKS.

16. (1) Any applicant who has filed an application in accordance with section 29 for registration of a trade mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association

with wares or services is entitled, subject to section 37, to secure its registration in respect of such wares or services, unless at the date on which he or his predecessor in title first so used it or made it known it was confusing with

(a) a trade mark that had been previously used in Canada or made known in Canada by any other person;

(b) a trade mark in respect of which an application for registration had been previously filed in Canada by any other person; or

(c) a trade name that had been previously used in Canada by any other person.

(2) Any applicant who has filed an application in accordance with section 29 for registration of a trade mark that is registrable and that he or his predecessor in title has duly registered in his country of origin and has used in association with wares or services is entitled, subject to section 37, to secure its registration in respect of the wares or services in association with which it is registered in such country and has been used, unless at the date of filing of the application in accordance with section 29 it was confusing with

(a) a trade mark that had been previously used in Canada or made known in Canada by any other person;

(b) a trade mark in respect of which an application for registration had been previously filed in Canada by any other person; or

(c) a trade name that had been previously used in Canada by any other person.

(3) Any applicant who has filed an application in accordance with section 29 for registration of a proposed trade mark that is registrable is entitled, subject to sections 37 and 39, to secure its registration in respect of the wares or services specified in the application, unless at the date of filing of the application it was confusing with

(*a*) a trade mark that had been previously used in Canada or made known in Canada by any other person;

(*b*) a trade mark in respect of which an application for registration had been previously filed in Canada by any other person; or

(*c*) a trade name that had been previously used in Canada by any other person.

(4) The right of an applicant to secure registration of a registrable trade mark is not affected by the previous filing of an application for registration of a confusing trade mark by another person, unless the application for registration of the confusing trade mark was pending at the date of an advertisement of the applicant's application in accordance with section 36.

(5) The right of an applicant to secure registration of a registrable trade mark is not affected by the previous use or making known of a confusing trade mark or trade name by another person, if such confusing trade mark or trade name was abandoned at the date of advertisement of the applicant's application in accordance with section 36.

VALIDITY AND EFFECT OF REGISTRATION.

17. (1) No application for registration of a trade mark that has been advertised in accordance with section 36 shall be refused and no registration of a trade mark shall be expunged or amended or held invalid on the ground of any previous use or making known of a confusing trade mark or trade name by a person other than the applicant for such registration or his predecessor in title, except at the instance of such other person or his successor in title, and the burden lies on such other person or his successor to establish that he had not abandoned such confusing trade mark or trade name at the date of advertisement of the applicant's application.

(2) In proceedings commenced after the expiry of five years from the date of registration of a trade mark or

from the date of the coming into force of this Act, whichever is the later, no registration shall be expunged or amended or held invalid on the ground of the previous use or making known referred to in subsection (1), unless it is established that the person who adopted the registered trade mark in Canada did so with knowledge of such previous use or making known.

18. (1) The registration of a trade mark is invalid if

(a) The trade mark was not registrable at the date of registration;

(b) the trade mark is not distinctive at the time proceedings bringing the validity of the registration into question are commenced; or

(c) the trade mark has been abandoned;

and subject to section 17, it is invalid if the applicant for registration was not the person entitled to secure the registration.

(2) No registration of a trade mark that had been so used in Canada by the registrant or his predecessor in title as to have become distinctive at the date of registration shall be held invalid merely on the ground that evidence of such distinctiveness was not submitted to the competent authority or tribunal before the grant of such registration.

19. Subject to sections 21, 31 and 65, the registration of a trade mark in respect of any wares or services, unless shown to be invalid, gives to the owner the exclusive right to the use throughout Canada of such trade mark in respect of such wares or services.

20. The right of the owner of a registered trade mark to its exclusive use shall be deemed to be infringed by a person not entitled to its use under this Act who sells, distributes or advertises wares or services in association with a confusing trade mark or trade name, but no registration of a trade mark prevents a person from making

(a) any *bona fide* use of his personal name as a trade name, or

(b) any *bona fide* use, other than as a trade mark,

(i) of the geographical name of his place of business, or

(ii) of any accurate description of the character or quality of his wares or services,

in such a manner as it is not likely to have the effect of depreciating the value of the goodwill attaching to the trade mark.

21. (1) Where, in any proceedings respecting a registered trade mark of which the registration is entitled to the protection of subsection (2) of section 17, it is made to appear to the Exchequer Court of Canada that one of the parties to the proceedings, other than the registered owner of the trade mark, had in good faith used a confusing trade mark or trade name in Canada before the date of filing of the application for such registration, and the Court considers that it is not contrary to the public interest that the continued use of the confusing trade mark or trade name should be permitted in a defined territorial area concurrently with the use of the registered trade mark, it may, subject to such terms as it deems just, order that such other party may continue to use the confusing trade mark or trade name within such area with an adequate specified distinction from the registered trade mark.

(2) The rights conferred by an order made under subsection (1) take effect only if, within three months from its date, such other party makes application to the Registrar to enter it on the register in connection with the registration of the registered trade mark.

22. (1) No person shall use a trade mark registered by another person in a manner likely to have the effect of depreciating the value of the goodwill attaching thereto.

(2) In any action in respect of a use contrary to subsection (1), the court may decline to order the recovery of damages or profits and may permit the defendant to continue to sell wares marked with such trade mark that

were in his possession or under his control at the time notice was given to him that the owner of the registered trademark complained of such use.

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REGISTER OF TRADE MARKS.

26. (1) There shall be kept under the supervision of the Registrar a register of trade marks and of transfers, disclaimers, amendments, judgments and orders relating to, and of registered users of, each registered trade mark.

(2) The register shall show, with reference to each registered trade mark, the following:

(*a*) the date of registration;

(*b*) a summary of the application for registration;

(*c*) a summary of all documents deposited with such application or subsequently thereto and affecting the rights to such trade mark;

(*d*) particulars of each renewal;

(*e*) particulars of each change of name and address; and

(*f*) such other particulars as this Act or the regulations require to be entered thereon.

(3) The register kept under *The Unfair Competition Act, 1932,* or the *Unfair Competition Act,* chapter 274 of the Revised Statutes of Canada, 1952, forms part of the register kept under this Act and, subject to subsection (2) of section 43, no entry made therein, if properly made according to the law in force at the time it was made, is subject to be expunged or amended only because it might not properly have been made pursuant to this Act.

(4) Trade marks on the register at the date of the coming into force of *The Unfair Competition Act, 1932,* shall be treated as word marks or as design marks as defined in that Act according to the following rules:

(*a*) any trade mark consisting only of words or numerals or both without any indication of a special form or appearance shall be deemed to be a word mark;

(*b*) any other trade mark consisting only of words or numerals or both shall be deemed to be a word mark if at the date of its registration the words or numerals or both would have been registrable independently of any defined special form or appearance and shall also be deemed to be a design mark for reading matter presenting the special form or appearance defined;

(*c*) any trade mark including words or numerals or both in combination with other features shall be deemed

(i) to be a design mark having the features described in the application therefor but without any meaning being attributed to the words or numerals, and

(ii) to be a word mark if and so far as it would at the date of registration have been registrable independently of any defined form or appearance and without being combined with any other feature; and

(*d*) any other trade mark shall be deemed to be a design mark having the features described in the application therefor.

(5) Trade marks registered under *The Unfair Competition Act, 1932*, or the *Unfair Competition Act*, chapter 274 of the Revised Statutes of Canada, 1952, shall, in accordance with their registration, continue to be treated as word marks or design marks as defined in that Act.

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APPLICATIONS FOR REGISTRATION OF TRADE MARKS.

29. An applicant for the registration of a trade mark shall file with the Registrar an application containing

(*a*) a statement in ordinary commercial terms of the specific wares or services in association with which the mark has been or is proposed to be used;

(*b*) in the case of a trade mark that has been used in Canada, the date from which the applicant or his named predecessors in title, if any, have so used the trade mark in association with each of the general classes of wares or services described in the application;

(c) in the case of a trade mark that has not been used in Canada but is made known in Canada, the name of a country of the Union in which it has been used by the applicant or his named predecessors in title, if any, and the date from and the manner in which the applicant or such predecessors have made it known in Canada in association with each of the general classes of wares or services described in the application;

(*d*) in the case of a trade mark that is the subject in another country of the Union of a registration or an application for registration by the applicant or his predecessor in title on which the applicant bases his right to registration, particulars of such application or registration and, if the trade mark has neither been used in Canada nor made known in Canada, the name of a country in which the trade mark has been used by the applicant or his named predecessor in title, if any, in association with each of the general classes of wares or services described in the application;

* * * * *

30. (1) An applicant whose right to registration of a trade mark is based on a registration of such trade mark in another country of the Union shall, before the date of

advertisement of his application in accordance with section 36, furnish a copy of such registration certified by the office in which it was made, together with a translation thereof into English or French if it is in any other language, and such other evidence as the Registrar may require fully to establish his right to registration under this Act.

(2) An applicant whose trade mark has been duly registered in his country of origin and who claims that such trade mark is registrable under paragraph (*b*) of subsection (1) of section 14, shall furnish such evidence as the Registrar may require by way of affidavit or statutory declaration establishing the circumstances on which he relies, including the length of time during which the trade mark has been used in any country.

31. (1) An applicant who claims that his trade mark is registrable under subsection (2) of section 12 or under section 13 shall furnish the Registrar with evidence by way of affidavit or statutory declaration establishing the extent to which and the time during which the trade mark has been used in Canada and with any other evidence that the Registrar may require in support of such claim.

(2) The Registrar shall, having regard to the evidence adduced, restrict the registration to the wares or services in association with which the trade mark is shown to have been so used as to have become distinctive and to the defined territorial area in Canada in which the trade mark is shown thus to have become distinctive.

* * * * *

33. When an application for the registration of a trade mark has been made in any country of the Union other than Canada, and an application is subsequently made in Canada for the registration for use in association with the same kind of wares or services of the same or substantially the same trade mark by the same applicant or his successor in title, the date of filing of the application in the other country is deemed to be the date of filing of the application in Canada, and the applicant is entitled to priority in

Canada accordingly notwithstanding any intervening use in Canada or making known in Canada or any intervening application or registration, if

(*a*) the application in Canada, including or accompanied by a declaration setting out the date upon which and the country of the Union in which the earliest application was filed for the registration of the same or substantially the same trade mark for use in association with the same kind of wares or services, is filed within six months from that date which period shall not be extended,

(*b*) the applicant or, if the applicant is a transferee, his predecessor in title by whom any earlier application was filed in any country of the Union, was at the date of such application a citizen or national of or domiciled in such country or had therein a real and effective industrial or commercial establishment, and

(*c*) the applicant, within three months after filing the application in Canada, furnishes a copy of every prior application relied upon, certified by the office in which it was filed, together with a certificate by such office of the date upon which it was filed therein, translations of these documents into English or French, if they are in any other language, and subsequently furnishes as required by the Registrar any other evidence necessary fully to establish his right to priority.

* * * * *

36. (1) The Registrar shall refuse an application for the registration of a trade mark if he is satisfied that

(*a*) the application does not comply with the requirements of section 29;

(*b*) the trade mark is not registrable; or

(*c*) the applicant is not the person entitled to registration of the trade mark because it is confusing with another trade mark for the registration of which an application is pending,

and where the Registrar is not so satisfied, he shall cause the application to be advertised in the manner prescribed.

* * * * *

AMENDMENT OF THE REGISTER.

40. (1) The Registrar may, on application by the registered owner of a trade mark made in the prescribed manner, make any of the following amendments to the register:

* * * * *

(*b*) cancel the registration of the trade mark;

* * * * *

LEGAL PROCEEDINGS.

51. (1) Where it is made to appear to a court of competent jurisdiction that any registered trade mark or any trade name has been applied to any wares that have been imported into Canada or are about to be distributed in Canada in such a manner that the distribution of such wares would be contrary to this Act, or that any indication of a place of origin has been unlawfully applied to any wares, the court may make an order for the interim custody of the wares, pending a final determination of the legality of their importation or distribution in an action commenced within such time as is prescribed by the order.

(2) Before an order is made under subsection (1), the plaintiff or petitioner shall be required to furnish security, in such amount as the court may fix, to answer any damages that may by reason of the order be sustained by the owner or consignee of the wares and for any amount that may become chargeable against the wares while they remain in custody under the order.

(3) Where, by the judgment in any such action finally determining the legality of the importation or distribution of the wares, their importation or distribution is forbidden, either absolutely or on condition, any lien for charges against them that arose prior to the date of an order made under this section has effect only so far as may be consistent with the due execution of the judgment.

(4) Where in such action the court finds that such importation is or such distribution would be contrary to this Act, it may make an order prohibiting the future importation of wares to which such trade mark, trade name or indication of origin has been so applied.

(5) Any order under subsection (1) may be made on the application of any person interested either in an action or otherwise and either on notice or *ex parte*.

52. Where it is made to appear to a court of competent jurisdiction that any act has been done contrary to the provisions of this Act, the court may make any such order as the circumstances require including provision for relief by way of injunction and the recovery of damages or profits, and may give directions with respect to the disposition of any offending wares, packages, labels and advertising material and of any dies used in connection therewith.

* * * * *

56. (1) The Exchequer Court of Canada has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of such application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.

* * * * *

COMING INTO FORCE.

67. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

REPEAL AND TRANSITIONAL.

68. (1) If this Act comes into force the Revised Statutes of Canada, 1952, come into force,

(*a*) any application for the registration of a trade mark received before the day on which this Act comes into force by the person appointed to act as Registrar under *The Unfair Competition Act, 1932*,

chapter 38 of the statutes of 1932, shall be dealt with in accordance with the provisions of that Act, and any registration made pursuant to any such application shall, for the purposes of this Act, be deemed to have been on the register maintained under *The Unfair Competition Act, 1932,* on the day on which this Act comes into force;

(*b*) the *Unfair Competition Act*, chapter 274 of the Revised Statutes of Canada, 1952, is repealed on the day the Revised Statutes of Canada, 1952, come into force; and

(*c*) the following Acts are repealed on the day this Act comes into force, namely,

(i) *The Unfair Competition Act, of 1932,* chapter 38 of the statutes of 1932,

(ii) sections 22, 24 and 25 of the *Trade Mark and Design Act*, chapter 201 of the Revised Statutes of Canada, 1927, and

(iii) *The Shop Cards Registration Act, 1938*, chapter 41 of the statutes of 1938.

(2) If this Act comes into force on or after the day on which the Revised Statutes of Canada, 1952, come into force,

(*a*) any application for the registration of a trade mark received before the day on which this Act comes into force by the person appointed to act as Registrar under the *Unfair Competition Act*, chapter 274 of the Revised Statutes of Canada, 1952, shall be dealt with in accordance with the provisions of that Act, and any registration made pursuant to any such application shall, for the purposes of this Act, be deemed to have been on the register maintained under the *Unfair Competition Act*, on the day on which this Act comes into force; and

(*b*) the following Acts are repealed on the day this Act comes into force, namely,

(i) the *Unfair Competition Act*, chapter 274 of the Revised Statutes of Canada, 1952,

(ii) Part III of the *Industrial Design and Union Label Act*, chapter 150 of the Revised Statutes of Canada, 1952, and

(iii) the *Shop Cards Registration Act*, chapter 250 of the Revised Statutes of Canada, 1952.

APPENDIX C.

COMPARISON BETWEEN FACTUAL SITUATIONS IN STEELE v. BULOVA, 344 U. S. 280, AND IN CASE AT BAR.

1. *Plaintiff.*	
Bulova Watch Co., Inc., a U. S. corporation (N. Y.).	Vanity Fair Mills, Inc. a U. S. corporation (Pa.)
2. *Defendant(s).*	
Sidney Steele, Sofia Steele (U. S. citizens residing in San Antonio, Texas) and S. Steele y Cia., S. A., a Mexican corporation.	The T. Eaton Co., Limited, a Canadian Corporation, having for past fifty years, an extensive U. S. purchasing office in New York City in charge of U. S. citizen, W. C. Bores, and operated by 30 other U. S. citizens. Numerous Canadian buyers come into New York office and operate from there, under H. L. Knapp, a former U. S. citizen, who is Eaton Co.'s merchandise manager in Toronto.
3. *Trademark Involved.*	
"BULOVA" for watches—A long used, advertised and well-known mark. Registered in the U. S.	"VANITY FAIR" for women's underwear. A long used, advertised, and well-known mark. Registered in the U. S.
4. *Places where acts complained of were committed.*	
Mexico City.	Conspiracy charged initiated in New York City, and consummated in Eaton Co.'s stores in various cities in Canada, some being close to U. S. border so as to be frequently visited by residents of U. S., and by mail into New York State.

5. *Defendants' acts complained of.*	
Stamping the name "BULOVA" on cheap watches assembled in Mexico City, and selling such thus stamped watches there.	Applying labels bearing the mark "VANITY FAIR" to cheap women's underwear made by or for defendant, and selling the same in Canadian stores for delivery in Canada and U. S., and by U. S. mail to U. S. citizens, after first having purchased, for six years, plaintiff's goods through defendant's New York office and advertising and reselling the same during those years in defendant's Canadian stores. Defendant used Canadian newspapers with extensive circulation in U. S. to advertise the infringing mark on the cheap underwear for sale in U. S. or to U. S. citizens in Canada.
6. *Defendants' defense.*	
That their use of the name "BULOVA" was legal in Mexico, having been registered to defendants in that country.	That defendant's use of the mark "VANITY FAIR" is legal in Canada, having been registered to defendant in that country.
7. *Extent of plaintiff's advertising and trade position.*	
Plaintiff was one of the largest watch manufacturers in the world; has distributed BULOVA watches in the U. S. and foreign countries. Since 1929, its aural and visual advertising, in Spanish and English, has penetrated Mexico.	Plaintiff is one of the largest quality lingerie manufacturers in the world; has distributed "VANITY FAIR" items in the U. S. and foreign countries. Since 1917 its visual advertising in English has penetrated Canada by continuous annual advertising in many U. S. magazines circulating in Canada.

8. *Evidence of actual confusion.*

Plaintiff's Texas sales representative received numerous complaints from jewelers in the Mexican border area whose customers brought in spurious BULOVAS for repair.

Plaintiff has found confusion among defendant's sales clerks in its Canadian stores; and purchasers have been sold defendant's cheaper goods when "American made" VANITY FAIR items have been requested.

9. *Source of defendants' goods.*

Component parts were purchased in the U. S.

Before introducing its cheaper line under the "VANITY FAIR" mark, defendant first purchased plaintiff's quality merchandise for several years in the U. S. and shipped such merchandise to Canada where it was resold under the plaintiff's "VANITY FAIR" mark; defendant thus accustomed Canadian and American customers to buy the genuine "VANITY FAIR" underwear in its stores and by its mail order system before starting the illegal use of "VANITY FAIR" on its own make of cheap underwear.

No. 275

SEP 1 1 1956

JOHN T. FEY, Clerk

IN THE

Supreme Court of the United States

October Term, 1956

VANITY FAIR MILLS, INC.,

Petitioner,

v.

THE T. EATON CO. LIMITED and
JOHN DAVID EATON,

Respondents.

On Petition for a Writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit

BRIEF FOR RESPONDENTS IN OPPOSITION

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On Petition for a Writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit

BRIEF FOR RESPONDENTS IN OPPOSITION

Proceedings to Date

Before answer, respondents moved to dismiss portions of the amended complaint. The motion was granted (133 F. Supp. 522 [S. D. N. Y. 1956]), and, on appeal, the District Court's decision was unanimously affirmed. (Pet. App. 1-25)

Petitioner has applied for a writ of certiorari. Respondents oppose on the ground that the record here presents no question of sufficient importance to justify review by this Court.

The Facts

The facts out of which this controversy arose are as follows:

1. Petitioner, a Pennsylvania corporation, is engaged in the wholesale manufacture and sale of women's underwear in the United States. (R. 104a, 106a) Respondent The T. Eaton Co. Limited is a Canadian corporation engaged in the retail merchandising business, with stores throughout the Dominion of Canada only. (R. 104a, 170a) Respondent John David Eaton, a Canadian citizen, is the President of the respondent corporation.*

2. On November 3, 1915, respondent filed with the responsible Canadian official (who was then the Canadian Minister of Agriculture, whose title changed from time to time, and who will hereinafter generally be referred to by his current title, "Canadian Registrar of Trade Marks") an application for the registration in Canada of the trademark "Vanity Fair", asserted to be already in use by the respondent in connection with the sale of "Women's, Misses' and Children's Coats, Suits, Cloaks, Waists, Dresses, Skirts, Corsets, Knitted Goods, Gloves, Hosiery, Boots & Shoes, Outer Garments and other Wearing Apparel".† (R. 183a, 247a, 570a-571a) On November 10, 1915, the Canadian Registrar of Trade Marks granted respond-

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* The word respondent will hereafter refer to the corporation.

† Petitioner apparently claims that the words "knitted goods" and "other Wearing Apparel" were not sufficiently specific to cover women's underwear. (Pet. 7, 8)

ent's application for the registration of that mark. (R. 183a, 248a)

3. On October 9, 1916, petitioner filed in the Patent Office in Washington an application for the registration in the United States of the trademark "Vanity Fair" to be used in connection with "gloves, silk coats, and underwear consisting of vests, bloomers, knickerbockers, drawers, union-suits, combinations, chemise, envelop-chemise, corset-covers, nightgowns, bathing-suits, pajamas, made of knitted or textile material, for adults and babies", and, in its application, claimed use of that trademark continuously from October 5, 1916;* which trademark was registered accordingly on April 3, 1917. (R. 108a-109a, 140a, fourth insert)

4. In the year 1917, petitioner commenced advertising its women's underwear under the trademark "Vanity Fair" in various United States publications, some of which had incidental so-called "spill-over" circulation in Canada. (R. 106a) Respondent has similarly advertised its "Vanity Fair" underwear in Canadian publications having some "spill-over" United States circulation. (R. 175a)

5. On August 8, 1919, petitioner applied to the Canadian Registrar of Trade Marks to register in Canada the trademark "Vanity Fair" for "ready made underwear". (R. 187a-188a, 261a-262a) By letter dated October 11, 1919, petitioner's application was rejected by the Registrar on the ground that "The words 'Vanity Fair' [have]

* Petitioner in its complaint claims use of the mark in the United States since 1914. (R. 106a, par. 5, 6)

been registered as a trade mark for women's, misses' and children's coats, suits, cloaks, waists, etc., knitted goods and other wearing apparel, since November 10th, 1915 in favor of The T. Eaton Co. Ltd. of Toronto [the respondent herein] * * *". (R. 187a, 263a)

6. On August 10, 1933, pursuant to authority granted him in the recently enacted Canadian Unfair Competition Act of 1932, the Registrar called upon respondent to supply a detailed description of those wares covered by its original "Vanity Fair" registration in connection with which it had been actually using the mark. Respondent replied, listing "women's underwear, corsets, girdles, and other foundation garments", and its original registration was modified and limited accordingly. (R. 183a-185a, 249a-255a)

7. For many years prior to World War II, respondent had been marketing much of its merchandise under so-called "private-brand" names, each applied to a variety of related merchandise such as "Birkdale" in connection with men's clothing, "Acme" in connection with stoves and heating appliances, "Viking" in connection with radios, and including "Vanity Fair" in connection with women's underwear, lingerie and related products. (R. 172a) At the close of the War and for eight years thereafter until 1953, because of the limited supply of goods, respondent suspended sale of its private branded wares and substituted three so-called "quality" brands used generally across the boards on substantially all varieties of merchandise to designate the location in the price range of the article. (R. 172a-173a)

8. During this period, respondent purchased from petitioner a small amount of petitioner's branded merchandise (something under $14,000 worth in all) for resale in Canada. (R. 173a-174a)

9. In 1953, with the return of normal economic conditions, respondent resumed its use of its own various private-brands, including "Vanity Fair", and thereafter ceased further purchases from the petitioner. (R. 173a, 208a-213a)

10. In September, 1953, petitioner sold some of its "Vanity Fair" branded merchandise to one of respondent's principal competitors in Canada, the Robert Simpson Company. Respondent objected, claiming infringement, and Simpson ceased selling petitioner's branded wares forthwith. (R. 188a)

11. In October of 1953, petitioner, through the Simpson Company, approached respondent to see whether it would sell its Canadian trademark "Vanity Fair" to petitioner, and respondent replied that it would not do so. (R. 189a)

12. In April of 1954, petitioner retained Canadian counsel to bring suit in Canada against respondent for the purpose of establishing its rights to the trademark "Vanity Fair" in Canada. (R. 301a, 548a-552a)

13. In June of 1954, petitioner's Canadian counsel demanded of respondent that it cease to use the trademark "Vanity Fair" in Canada, which demand respondent rejected. (R. 189a-190a, 266a-272a)

14. Between August and October, 1954, three American investigators in petitioner's employ sent orders through the mails to respondent in Canada, with purchase price enclosed, requesting that respondent's "Vanity Fair" underwear be shipped to them in the United States. Respondent, in accordance with its usual practice in cases of prepaid mail orders, accepted those orders by delivering the wares to a common carrier in Canada, addressed as requested to the purchasers in the United States. (R. 128a, 174a-177a, 226a-232a, 205a-207a)

15. In November of 1954, this suit was brought in the United States District Court for the Southern District of New York. (R. 1a)

The Claims for Relief

Based on these facts petitioner, in its prayer, asserted two wholly separate and distinct claims for relief; one for relief (declaratory, injunctive and by way of damages) from respondent's alleged infringement of petitioner's United States trademark and unfair competition in the United States, and the other for similar relief from alleged trademark infringement and unfair competition in Canada.

The first claim relates to respondent's "spill-over" advertising in the United States, and its filling of United States mail orders. As respondent does not challenge the validity of petitioner's United States trademark, the only issues involved in this claim are the "narrow"* ones

* Court of Appeals opinion. (Pet. App. 25, n. 21)

whether these activities constitute sales, offerings for sale, or advertisings "in commerce" within the meaning of Sec. 32 of the Lanham Act. And neither of these issues is pertinent to this appeal, because (1) respondent has not attacked petitioner's domestic claims on jurisdictional grounds, and (2) both the District Court (R. 623a) and the Court of Appeals (Pet. App. 25) have preserved petitioner's right to try them out in this action, if it chooses to do so.

Petitioner for its second cause seeks to have the United States courts enjoin respondent from using respondent's own registered trademark in Canada; seeks to have respondent ordered to expunge that trademark from the Canadian records; and seeks to have respondent enjoined from interfering with its (petitioner's) sale of "Vanity Fair" branded merchandise in Canada. This cause involves mixed questions of law and fact as follows: (1) whether respondent's original registration was sufficiently specific to cover women's underwear; (2) the extent of respondent's use of that mark in Canada after registration; (3) the extent and effect on respondent's rights of petitioner's "spill-over" advertising in Canada: (4) the reasons for and legal significance of respondent's temporary suspension of use of its private brands in Canada; (5) the circumstances relating to and the legal significance of respondent's advertising and sale of petitioner's branded wares in Canada; and (6) the resulting confusion, if any, to the Canadian public from respondent's alleged activities;—questions it will be noted which have not the remotest connection with petitioner's asserted United States trademark infringement claims.

This Canadian controversy is the only portion of petitioner's complaint to which respondents objected below, and it is the only portion as to which the District Court in its discretion declined to take jurisdiction.

Question Presented

There is thus but one question presented for possible consideration by this Court:

> Did the District Court abuse its discretion in refusing to accept jurisdiction over petitioner's plea for review of the official acts of the Canadian Registrar of Trade Marks and for the determination and enforcement of petitioner's alleged superior right in Canada to the trademark "Vanity Fair" registered and used within the Dominion by respondent, a Canadian national?*

Certiorari Should Be Denied

Petitioner asserts (Pet. 5) jurisdiction on three grounds: (1) The Lanham Act, 60 Stat. 427, 15 U. S. C. §1051 (1946); (2) The International Convention for the Protection of Industrial Property (Paris Union) 53 Stat. 1748 (1883, as revised 1934) T. S. No. 941; and (3) Diversity of Citizenship, Sec. 1332 of Title 28 of the United States Code and the Canadian Trade Marks Act of 1953, 1 & 2 ELIZ. 2, c. 49 (1953).

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* See District Court opinion (R. 613a, last paragraph); District Court opinion on reargument (R. 661a, last paragraph); and Court of Appeals opinion (Pet. App. 21, last paragraph).

(1) The Lanham Act

Petitioner insists (*e.g.*, Pet. 22) that The Lanham Act gives it extraterritorial trademark rights in Canada against respondent that would not be available to it under Canadian law in a Canadian court. In effect, petitioner argues that our Congress, in enacting The Lanham Act, intended thereby to supersede the Canadian Trade Mark statutes in so far as the trademark rights of American citizens in Canada are concerned.

This is indeed, as the Court noted below, a novel contention. But novelty without merit is certainly no sound basis for granting certiorari. And the lack of merit of this contention is, it is believed, abundantly clear from its mere statement. See District Court decision, R. 616a; Court of Appeals decision, Pet. App. 11-19.*

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* See, also, *Ingenohl* v. *Olsen & Company, Inc.*, 273 U. S. 541 (1927), where Mr. Justice Holmes in speaking of foreign trademark rights said:

> "A trade-mark started elsewhere would depend for its protection in Hongkong upon the law prevailing in Hongkong and would confer no rights except by the consent of that law. *Hanover Star Milling Co.* v. *Metcalf*, 240 U. S. 403. *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U. S. 90. * * * If the Alien Property Custodian purported to convey rights in English territory valid as against those whom the English law protects, he exceeded the powers that were or could be given to him by the United States." (p. 544)

The inapplicability to the facts of the instant case to the decision of this Court in *Steele* v. *Bulova*, 344 U. S. 280 (1952), so heavily relied on by petitioner (Pet. 2, 11-14, 18-22, 25, 26), is fully treated by the Court of Appeals in Point II A of its opinion. (Pet. App. 14-16)

(2) The International Convention

The Court of Appeals, in its opinion below (Pet. App. 10), noted that:

> "The International Convention is essentially a compact between the various member countries to accord in their own countries to citizens of the other contracting parties trade-mark and other rights comparable to those accorded their own citizens by their domestic law. * * *";

that:

> "The Convention is not premised upon the idea that the trade-mark and related laws of each member nation shall be given extraterritorial application, but on exactly the converse principle that each nation's law shall have only territorial application." * * *

and finally, citing *Albany Packing Co., Inc.* v. *Registrar of Trade Marks*, Can. Exch. 256, 265-266 (1940),* that:

> "Under Canadian law, unlike United States law, the International Convention was not effective to create any private rights in Canada without legislative implementation". (Pet. App. 11)

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* Where the Canadian Court said:

"I think it is correct to say that the terms of the Convention [for the Protection of Industrial Property] may be referred to by the Court as a matter of history, in order to understand the scope and intent of the terms of that Convention, and under what circumstances any of the provisions of the Unfair Competition Act were enacted, in order to give legislative effect to the same. But the terms of the Convention cannot, I think, be employed as a guide in construing any of such provisions so enacted, for the reason that in Canada a treaty or convention with a foreign state binds the subject of the Crown only in so far as it has been embodied in legislation passed into law in the ordinary way."

So, the Court of Appeals recognized, petitioner must look for relief, if anywhere, to the Canadian implementing legislation—the Trade Marks Act of 1953.

(3) Diversity of Citizenship and Canadian Trade Marks Act of 1953

The District Court rejected jurisdiction of the Canadian trademark claim existing under the Canadian Trade Marks Act, among other reasons, because, in its discretion, it considered itself an inappropriate or inconvenient forum for the trial of those issues. The Court of Appeals unanimously affirmed.

Considering the nature of the issues involved (see this Brief, p. 7, *supra*) and the international implications of accepting jurisdiction (see District Court decision, R. 618a-623a; Court of Appeals' decision, Pet. App. 19-24), the decision of the District Court in its discretion to decline jurisdiction was inescapable.

A fortiori, as noted by the Court of Appeals (Pet. App. 22, 23), it could not be held, in declining jurisdiction, to have abused that discretion.

And, in any event, this Court need not concern itself with what would be essentially a second review of a carefully considered discretionary ruling of the District Court.

Conclusion

This case was decided in accordance with established legal principles, no conflict of decisions exists, and no questions are presented of sufficient importance here to justify or warrant review by this Court.

Wherefore, it is respectfully requested that certiorari be denied.

Respectfully submitted,

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JACQUELIN A. SWORDS,
PETER M. BROWN,
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Dated: New York, New York
September 11, 1956.

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FILED
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JOHN T. FEY, Cle

In the Supreme Court of the United States

OCTOBER TERM, 1956.

No. 275.

VANITY FAIR MILLS, INC.,

Petitioner,

vs.

THE T. EATON CO. LIMITED and
JOHN DAVID EATON,

Respondents.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI.

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PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI.

Petitioner prays that this Court grant rehearing of its Order of October 15, 1956 denying the Petition for Writ of Certiorari, and that a Writ of Certiorari issue to review the judgment of the Court of Appeals for the Second Circuit in the above entitled case as prayed for in the Petition filed July 23, 1956 herein.

REASONS FOR GRANTING REHEARING AND ISSUING THE WRIT.

Since the filing of the Petition for Certiorari by petitioner on July 23, 1956, there has been decided by the United States District Court for the Southern District of California, the case of *Ramirez & Feraud Chili Co. v. Las Palmas Food Co., Inc. et al.*

In this case, which is unofficially reported at the present date only in 110 USPQ 525, the District Court held that relief could and should be granted against the infringement of a United States trade mark registration and

unfairly competitive activities of a California corporation, an **alien resident** of California and a United States citizen, all joined as defendants. The activities complained of included making and selling food products **in Mexico** under the trademark "Las Palmas," upon which **the alien defendant** had obtained **a Mexican trademark registration**, still then subsisting. The "Las Palmas" mark had, long prior to the alien defendant's securing of the Mexican registration, been used by plaintiff on similar products in the United States and Mexico, and had been registered to plaintiff in the United States.

The Court found that numerous persons of Mexican origin residing in the southern area of California purchased defendant's "Las Palmas"-labelled food products in Baja California (Mexico) and other places in Mexico, and brought such products back into the United States.

Upon finding that defendants had unlawfully attempted to capitalize upon the good-will associated with plaintiff's "Las Palmas" trademark, the California District Court, ruled that:

(1) The Court had *in personam* jurisdiction over the defendants,

(2) The Court had **jurisdiction over the subject matter** of the action.

(3) The infringement and unfair competition by defendants in Mexico affected "adversely commerce which may lawfully be regulated by Congress and, in particular, plaintiff's interstate and foreign commerce in its Las Palmas products,"

(4) The registration of the trademark "Las Palmas" by the alien defendant in Mexico "does not oust this Court of jurisdiction to enjoin the defendants, United States citizens **or residents**, from their said acts of trademark in-

fringement and unfair competition in the Republic of Mexico, which adversely affect commerce within the control of the Congress of the United States and radiate unlawful consequences into this country," [Emphasis supplied],

(5) "An injunction by this Court restraining defendants from using the trademark 'Las Palmas' in Mexico does not invalidate defendants' said registration in the Republic of Mexico or interfere with or violate the recognized sovereignty of the Republic of Mexico, nor does such injunction contravene the public policy of said country as set forth in its trademark laws."

The California District Court's holding follows precisely the theory upon which petitioner sought to have the courts below act in the case at bar. Instead the New York Courts have held, in effect, that they lacked jurisdiction to grant relief against the alien respondent herein, which is admittedly present in the United States, in respect of any acts committed by it in Canada under the ostensible protection of Canadian trademark registration.

The two federal jurisdictions thus diverge 180 degrees on the issues of law involved. The result is that at the present time in California a United States citizen may obtain relief in the Courts of his own country against unfair competition committed abroad, and affecting United States commerce, by a foreign national present within the Court's physical jurisdiction, even though the alien defendant owns a foreign trademark registration; but in the Second Circuit, a United States citizen may not.

Petitioner recognizes that the *Ramirez* case is only a District Court decision, so that petitioner cannot, as yet, assert that there is a conflict between the Courts of Appeals for the Second and Ninth Circuits, as a basis for urging

this Court to exercise its certiorari jurisdiction. However, petitioner is advised by counsel for defendants in the *Ramirez* case **that notice of appeal to the Court of Appeals for the Ninth Circuit has been filed with the District Court in that case and the appeal is being perfected.** However, a decision by the Court of Appeals in the *Ramirez* case is not likely to be handed down for a number of months. If the decision of the District Court is affirmed, so that a clear conflict of decision of the Courts of Appeals for the Ninth and Second Circuits then exists, petitioner's time under Rule 58 to seek rehearing will have expired, and its right to seek review of the Second Circuit decision herein may become lost.

Petitioner respectfully prays, therefore, that, if the Court remains of the view that there is, at the present date, an insufficient basis for granting the writ of certiorari sought by the petition herein filed July 23, 1956, the Court defer decision on this petition for rehearing until after a decision is handed down in the *Ramirez* case by the Court of Appeals for the Ninth Circuit. At that time it will be known whether there is a square conflict between decisions of the Courts of Appeals for the Second and Ninth Circuits on the issues of law involved in the decisions in the case at bar and in the *Ramirez* case.

In any event petitioner submits that the *Ramirez* case, following so closely in point of time, the decision, review of which is sought herein, is proof positive of the public importance of the issues raised in these cases and of the need for this Court at an early date to delineate under the Lanham Act, the International Convention and the *Bulova* case,* the jurisdiction of the United States Courts to act *in personam* against foreign nationals present in this

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* *Steele v. Bulova*, 344 U. S. 280 (1952).

Country in respect of acts performed partly abroad, but affecting domestic and international commerce subject to regulation by the Congress of the United States, under the asserted protection of foreign trademarks.

SUGGESTED PROCEDURE.

For the reasons set forth above and in the Petition for Writ of Certiorari, it is respectfully urged: (a) that rehearing be granted and that, upon such hearing, a Writ of Certiorari issue to the Court of Appeals for the Second Circuit; (b) alternatively, that decision on this petition for rehearing be deferred until after the Court of Appeals for the Ninth Circuit shall have decided the appeal which defendants are taking from the decision of the United States District Court for the Southern District of California in the case of *Ramirez & Feraud Chili Co. v. Las Palmas Food Co., supra*, page 1.

Respectfully submitted,

HARRY A. TOULMIN, JR.,
Counsel for Petitioner.

CERTIFICATE OF COUNSEL.

I hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay and is restricted to the grounds specified in Rule 58 of the Rules of this Court.

HARRY A. TOULMIN, JR.,
Counsel for Petitioner.